

# ***ANNUAL REPORT:***

## ***2008/2009***



***Mookgophong Local  
Municipality***

***Private bag x340  
Mookgophong  
0560***

***014 743 6600***

***014 743 6672***

***LIM364***

## ***Vision:***

*TOGETHER WE PROMOTE AND SUSTAIN A GOOD QUALITY OF LIFE TO OUR PEOPLE*

## ***Mission:***

*WE PLEDGE TO DELIVER A SAFE AND PLANNED ENVIRONMENT AND A QUALITY COST-EFFECTIVE SERVICE WITH THE INVOLVEMENT OF THE COMMUNITY*

## ***Value System:***

- *TSHOMISANO/SAMEWERKING/COOPERATION*
- *ACCEPTANCE OF DIVERSITY*
- *PROFESSIONALISM*
- *ACCOUNTABILITY*
- *BATHO PELE PRINCIPLE*

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# CHAPTER 1: INTRODUCTION AND OVERVIEW

## 1.1 MAYOR FOREWORD

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***Clr. KS Lamola***

*HONORABLE MAYOR*

*& Chairperson of the Budget and Treasury  
Committee*

I wish to begin by thanking all the members of our community who have made it their responsibility to work with the Municipality in the financial year ending June 30, 2009. Significant progress was made in the financial year ending on June 30, 2009. This progress is most evident in our fight against poverty, inequality in service provision. The progress we have made has allowed us to get closer to achieving our millennium goals and this was because our service delivery efforts were directed at making sure that the Municipality reach all its residence without compromising the quality of the service we are providing, “and this we have achieved”.

Despite the successes we have registered we promise our residence that we will not be complaisant in the coming financial year as there are still serious challenges that need to be addressed. These challenges are evident in the remaining pockets of poverty and the services backlogs that are a result of lack of funding for bulk infrastructure. We are engaging LEDET, Lepelle Northern Water, DWAE, DME, ESKOM and DLG & H to solicit support for access to both bulk water and electricity, to continue providing the required services for growth and development. Our capacity to address the backlogs without any assistance from National and Provincial Government is limited, hence we will continue to engage in this regards.

Our ruling party is zealous to continue with the struggle to transform the living conditions of the majority of South Africans, and the face of our democratic state to ensure that is local government, hence we can count over 1,700 RDP houses in our Municipality to ensure adequate shelter. We will in the coming Financial Year continue to address our backlogs, for a better life to all of us. The focus will be continued also to create an

environment for local economic development, to increase the level of employment and poverty alleviation.

### 1.1.2 ACCOUNTING OFFICER's STATEMENT

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**Ms. MJ Kgatla**

ACCOUNTING OFFICER (Municipal Manager)



The central responsibility of Municipalities is to work together with its local communities. For 2008/2009, as in all of the previous years since the inception of democratic and developmental local governments, in working together with the local community of Mookgophong, we have engaged in planning and budgeting together, from September until the end of May 2008. To ensure that what we have planned and budgeted together is implemented, we have been reporting, as well as assessing our performance for relevancy, and to ensure that performance is managed.

The purpose of this annual report is:

- to provide a record of the 2008/2009 activities of the municipality ;
- to provide a report on 2008/2009 performance in service delivery and budget implementation(SDBIP); and
- to promote accountability to the local community, as required by law and emphasized by King III report "The provisions of the report are based on principles enshrined in the *Code of Governance Principles for South Africa*."

In this way, we also seek to realize one of the Batho Pele Principles, being "Openness and transparency: Citizens should know how departments are run, how resources are spent, and who is in charge of particular services.

## OUR VISION AND MISSION:

**Our VISION is to ensure that** “TOGETHER WE PROMOTE AND SUSTAIN A GOOD QUALITY OF LIFE TO OUR PEOPLE” , and our MISSION is **“We pledge to deliver a safe, planned environment and a cost-effective quality service with the involvement of the community”**, hence when we view the planning and budgeting processes in our Municipality, that are based on the principles of **“ community based planning”**. We are reporting on now is the implementation that was informed by both the National priorities, as well as community consultation, through community base planning, which structures and processes of are clearly articulated in the IDP that we are reporting on.

Our focus for 2008/2009 was on the following:

- Ensuring the effectiveness of administrative and institutional systems, structures and procedures including: human resources, financial policies, by-laws and communication systems are established and implemented, for municipal transformation and organisational. We managed to establish our Council Committees to ensure effective leadership. All Section 57 as well as most of our strategic positions are filled. We are now faced with a task of capacity building in terms of life long learning to enhance skilled required performing at respective levels.
- Development and maintenance of infrastructure and service delivery. We are proud to report that almost 56% of those who were recorded as our **backlog**, vulnerable and without an acceptable standard of accessing basic services (RDP standard), are now connected to electricity, 83% on high standard level of access to water and 34 on high level standard sanitation. We are also about 35% towards addressing both of our internal and bulk storm water drainage, to ensure safety of our community. We are continuing with paving our internal roads to ensure accessibility and that our internal roads are of high standards. Currently 70% of our internal roads are of high standards. When implementing these projects, jobs are created to alleviate poverty as well as to impart skills and knowledge, and over 800 jobs were created through labour intensive method.
- We are struggling with an influx challenge which is the basis of problems in terms of illegal settlements and service provision. With our problem of bulk water, we are unable to promise a target date to address the informal settlements challenge. We however provide those in informal settlement, with water through communal taps. RDP standard as well as the water tanker.
- We have invested R16M on infrastructure, moving towards adequate provision of services.

Our systems are in place in terms of Land Use Management Scheme (LUMS), Water Service Development Plan (WSDP).

- As a developmental local government we are also entrusted with the responsibility of creating an environment for local economic development, we are however still growling in this regards, with the establishment of the unit. Currently we have 4 learner/employees, on LED learnership at NQF level 4, to prepare them for employment. In terms of the organisational structure the unit is in place, our challenge is just the financial viability to feel all of the required positions.
- We have leased 7 farms as a way of creating an environment for economic development, in order to leverage one of our economic pillars, being farming. 41 jobs have been created and there is an income for at least 12 families, through this project. We are working closely with the Department of Agriculture, as well as LEDET, to enhance our capacity in this regards.
- We also focussed on financial management and viability, for sustainability and service delivery. Our financial status will be outlined under “ **Financial Status**”
- Good Governance and Public Participation: Council committees in line with Section 80 of the Local Government: Municipal Structures Act 117 of 1998. As a Municipality with Plenary Executive System combined with a Ward Participatory System., we have established Ward Committees to enhance good governance. We still straggle with compliance to some aspects of legislation hence our status of Audit opinion is still a Disclaimer, in this regards the AG, COGTA and the Provincial DLG&T are providing guidelines to assist Municipalities to improve. We do encourage our organised structures to register on our database of Stakeholders. We have developed the Anti-Corruption Strategy for implementation through out the Municipality to ensure corrupt and fraud free operations, however we do have the challenge of attracting a qualified Internal Auditor. We are humbled to have been assessed through the “National State of Local Government Assessments” , and rated as one of the 58 Municipalities in Class 4: High Performing Local Municipalities, nationally”. We will strive to sustain this standard, to ensure a developmental state.

## 1.2 OVERVIEW OF THE MUNICIPALITY:

Mookgophong Local Municipality is situated 110 km on the Southern side away from Polokwane which is the host city of the World cup 2010. This is a small town that is located along the R101 road between Mokopane and Modimolle towns.

The main attraction of Mookgophong is the many game farms and their luxury safari lodges. This town is a service centre supporting strong agricultural hinterland and existing mining activities in close proximity to the town. Mookgophong is a charming

town at the foot of the Swaershoek Mountains surrounded by peaceful nature reserves and steaming hot springs. The mellow Bushveld climate and attractive resorts in the area attract many holiday makers. The settlement dates back to the late 1800s when it was an outspan area for the Pretoria-Polokwane mail coach. Eventually a village developed around a railway station on the farm "Mookgophong" formally known as Naboomspruit.

Mookgophong Local Municipality is advantaged as we have the legislative authority to provide and supply water in our area of jurisdiction, the disadvantage is the shortage of bulk supply. We are also advantaged to be an authority over the supply of electricity to over 55% in our area of jurisdiction. These two deliverables gives us a leverage for financial viability, however as well as challenges of high risk if we can not collect revenue as required.

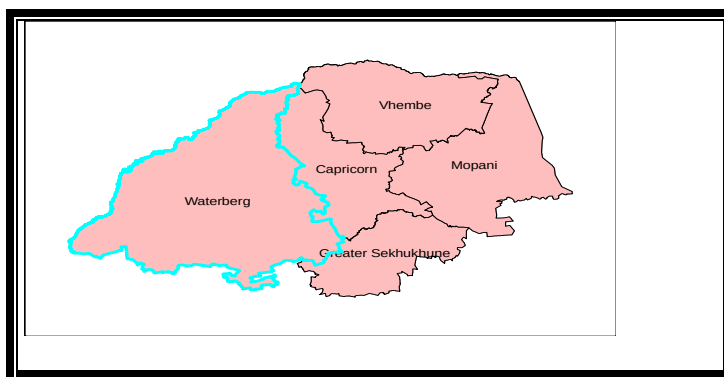
## 1.2.1 DEMOGRAPHIC; INFRASTRUCTURE AND FINANCIAL STATE OVERVIEW

### 1.2.1.1 DEMOGRAPHIC

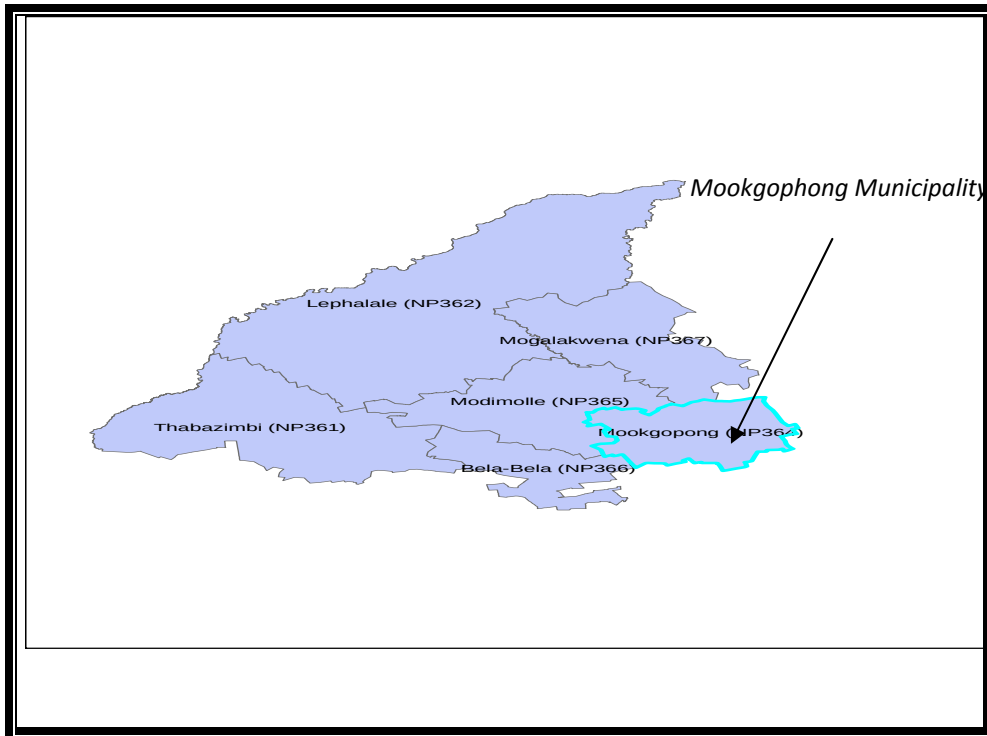
- **Population distribution:** According to the 2001 Census conducted by Statistics South Africa 30,756 people were recorded as living in the Municipality. The annual population growth rate was recorded as 1.5%. Considering this annual population growth rate, it is estimated that 33,303 people were living in the Municipality in 2008/2009. This is despite the fact that the STATSA has released a worrying statistics based on Community Survey 2007, with a decline from 30,759 to 16,818. We have lodged a concern, and with no hope of STATSA addressing it, we have prepare ourselves for Census 2011.

**Figure 1, Mookgophong local municipality within the District municipality**

*Limpopo Province and Waterberg District*



**Mookgophong Local Municipality**



**SOURCE,** Mookgophong Municipality Town Planning, 2008/2009

Seventy six percent (76%) of this population is made of African's, nineteen and a half percent (19.5%) are White people, and two and a half percent (2.5%) are coloured people. While two (2%) percent are Asians (see Table 1.2.2: Population Group Distribution).

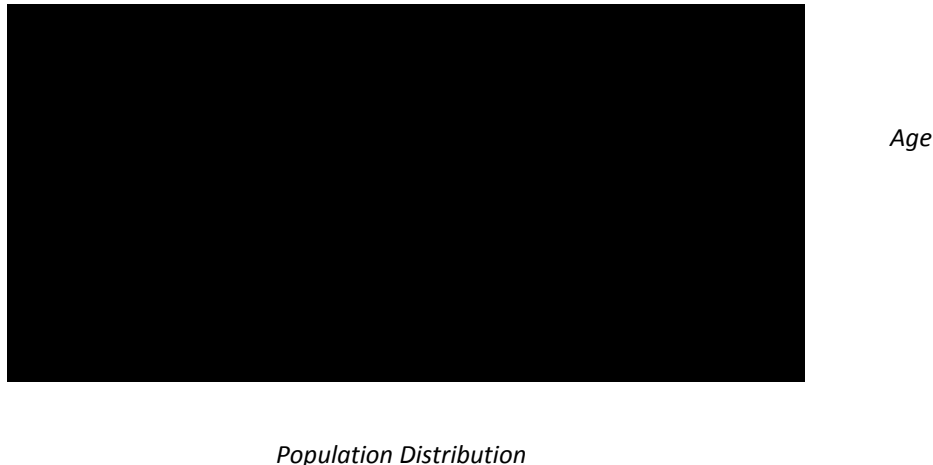
- **Gender and age distribution:** There are more male people living in the Municipality than females (see Figure 1.2.3: Gender Distribution). The majority of people living in the Municipality are in the working ages, which are between 16 and 59 years.

**Table 2, Estimated 2008/2009 population size**

| <b>POPULATION GROUP</b> | <b>TOTAL NUMBER</b> | <b>% OF TOTAL POPULATION</b> |
|-------------------------|---------------------|------------------------------|
| African                 | 25310               | 76                           |
| White                   | 6494                | 19.5                         |
| Coloured                | 833                 | 2.5                          |
| Asian                   | 666                 | 2                            |
| <b>Total:</b>           | <b>33,303</b>       | <b>100</b>                   |

Source, STATS SA, 2001

**Figure 1.2.3 Gender and Age distributions**



Source, Statistics South Africa, 2001

Mookgophong local Municipality is 4270, 62km<sup>2</sup> and it is 9, 2% of total district area in size. The population size of the municipality is 33 303 and it is 5.01% comparing to the district population.

**Table 1.2.4,** Geographic extent and population sizes in context

| <i>NO.</i> | <i>LOCAL MUNICIPALITIES</i> | <i>EXTENT (KM<sup>2</sup>)</i> | <i>% OF TOTAL DISTRICT AREA</i> | <i>POPULATION SIZE</i> | <i>% OF DISTRICT POPULATION</i> |
|------------|-----------------------------|--------------------------------|---------------------------------|------------------------|---------------------------------|
| 1          | Mookgophong                 | 4,270.62                       | 9.2                             | 33,303                 | 5.01                            |

Source, Statistics South Africa, 2001

We however have challenges currently, as allocations/grants from National Treasury is based on the population, as reflected in the 2007 STATS Community Survey results, that reflects the population as 16,818 as against the expected 33,303. We are stuck with the two conflicting stats until census 2011.

### 1.3 MOOKGOPHONG SETTLEMENTS:

- **Formal Settlements:** Mookgophong has five (5) formally established townships; these are Naboomspruit, Roedtan, Mookgophong, Thusang and Euphoria. There are three (3) informal settlements in the Municipality. Below is a brief description of each settlement as it exists today.
  - i. **Mookgophong Township:** Is the largest area with a predominantly African population, the township has two thousand nine hundred and fifty six (2956) formal erven and is considered to have an average household size of six (6) people per household above the Municipal average. Over the years the township has grown informally and as a result there are current efforts to formalise the informal areas to effect this formalisation a township establishment application for Ext 5 and 6 is lodged. It is estimated currently that there are about seventeen thousand seven hundred and twelve (17712) people staying in the township.
  - ii. **Thusang:** Is in proximity to Roedtan and has a total formal erven of four hundred and eight (408). The average household size in this settlement is five (5) people per household. Roedtan depends entirely on borehole water. Sewage provision in Roedtan is through an individual conservancy septic tank system which is maintained twice a week. Thusang operate on a water bone sewage system.
  - iii. **Naboomspruit:** Currently there are one thousand five hundred and thirty one (1531) residential erven in the town and two hundred and fifty seven (257) high density flats. Three hundred and fifty three (350) of these erven are vacant. A new development Gunali Park has been established with one hundred and two (102) erven. The average household size in the town is three (3) people per household and it is estimated that five thousand and seventy eight (5078) people are living in the area.
  - iv. **Euphoria Township:** This is a formally established township with 705 planned erven with six (6) occupied and four (4) built and still vacant.
  - v. **Farms and villages:** There are three (3) major farming communities; these are located on Tuinplaas, Nutfield and Crecy farms, ALL IN Ward 3. The farms in Naboomspruit and Roedtan are commercial farming area. These areas total about 231 farms with an average household size of four (4) people per household and an estimated population of three thousand two hundred and sixty six (3266) people.

- **Informal Settlements:** There are one thousand five hundred (1500) informal structures in Mookgophong and these are located in and around the Mookgophong Township that is in Wards 1 and 4. To deal with this informal backlog the Provincial Housing Department is constructing two hundred (200) low cost houses. On completion of these houses the Municipality will remain with a housing backlog of 840'

To improve our performance we will need to be guided by a few non-negotiable principles: Those are as follows:

- Provide principled leadership and making the tough decisions that may be required to deliver on our mandate.
- Strengthen our ability to co-operate across the three levels of government and work as a single delivery machine,
- Build a partnership between government and civil society so that we work together to achieve our goal of a better life.
- Be completely transparent with each other. We must claim no easy victories , just tell the truth and build on what we have achieved.
- Recognize that there will always be limited funding and resources and yet be willing to commit to doing more with less and doing it on time.
- Develop a skilled and well motivated public service that is proud of what it does and receives full recognition for delivering better quality services.

## 2. FINANCIAL STATUS

It is my privillage as the Accounting Officer to present for scrutiny of the public and other Government Spheres the financial status for the Mookgophong Local Municiplaity for the financial year ending 30 June 2009. In this section we will present an overview of the financial performance of the Municipality in relation with the financial statements that are presented in Annexure A of this report in terms of section 126 (1) of the MFMA.

As a municipality, we are required to be financially viable to move towards the social and economic upliftment of the community of Mookgophong through the provision of services in an accessible, efficient, effective equitable and financially sustainable manner. In this regards, we need to have the capacity to collect revenue, and during the reported year, we managed to collect **R48,212,676** as to the anticipated **R54,641,000**.

We managed to sustain our investment level at **R39,049,566**. We are therefore still financially viable as we still have an investment that will translate in investment in infrastructure or form the basis of attracting PPP. We closed a year with a challenge on auditing and risk management, as our Internal Auditor has resigned in May 2009.

However we still have challenged on managing revenue collection, as well as debt recovery. This requires a team work from both the Community and Council. Debts levels by the end of this reported year were as follows:

**Table 2.1 SUMMARY OF DEBTS LEVELS:**

| CATEGORY     | AMOUNT             |
|--------------|--------------------|
| Households   | R10 902 791        |
| Business     | R7 132 714         |
| Government   | R2 885 160         |
| <b>TOTAL</b> | <b>R20 922 057</b> |

- **Income and Expenditure:**

The two pillars of budget are Income and Expenditure, what we receive from the services that we provide, as well as what we spend to develop and maintain the infrastructure for services that we provide to both our community as well as our stakeholders. For the reported FY, we anticipated our budget as follows:

**Table 2.2 PROJECTED BUDGET:**

| INCOME      | EXPENDITURE |
|-------------|-------------|
| R65 641 000 | R65 533 736 |

**Table 2.3 COLLECTION LEVELS OF REVENUE**

| SOURCE          | BUDGETED (R) | ACTUAL(R)   | VARIENCE   |
|-----------------|--------------|-------------|------------|
| Rates and taxes | -10 530 000  | -10 872 967 | 342 967    |
| Electricity     | -13 666 000  | -19 802 136 | 6 136 136  |
| Water           | --6 313 000  | -3 620 573  | -2 692 427 |
| Sanitation      | -3 167 000   | -3 212 399  | 45 399     |
| Refuse          | -3 106 000   | -3 070 825  | -35 175    |

|                      |                    |                   |                   |
|----------------------|--------------------|-------------------|-------------------|
| Licenses and permits | -4 556 000         | -1 935 864        | -2 620 136        |
| Rental of facilities | -174 735           | -168 433          | -6 302            |
| Fines                | -131 000           | -70 522           | -60 478           |
| Other                | 23 997 265         | 33 360 968        | 9 345 973         |
| <b>TOTAL:</b>        | <b>-65 641 000</b> | <b>76 096 687</b> | <b>10 455 687</b> |

Source, Municipality Budget & treasury Department, 2008/2009

**Table 2.4:** Actual income and expenditure:

| INCOME      | EXPENDITURE | VARIENCE   | PERCENTAGE |
|-------------|-------------|------------|------------|
| R76 096 687 | R73 007 796 | R3 088 891 | 4.1%       |

**Table 2.5:** Personnel costs to income percentage:

| FINANCIAL YEAR:                        | 2007/2008 | 2008/2009 |
|----------------------------------------|-----------|-----------|
| <i>Personnel costs to income (%)</i> : | 31%       | 30%       |

#### iv) Financial Ratios and Statistics

There has been a 2% reduction in the personnel costs on year on year comparison. It should however be noted that this cost is due to the increase in the income of the Municipality by 1% in 2008/2009 in comparison with 2007/2008. There are clear indications from this assessment that the controls instituted to manage personnel costs are bearing visible results and this costs decreased as income increased.

#### **Statement of financial position:**

**Table 2.6** Turnover rate of consumer debtors:

| FINANCIAL YEAR:                                  | 2007/2008 | 2008/2009 |
|--------------------------------------------------|-----------|-----------|
| <i>Turnover rate of consumer debtors (days):</i> | 82 days   | 82 days   |

This situaion reflects a clear failure in the ability of the Municipality to collect its outstanding debts and convert them into cash. We reviewed our indigent register to assess if some if not most of the debtors are not indigent. During 2009/2010, we will roll this to the high level, where the Ward councillors will have to verify the level of unemployment in their respective Wards. This will assist in ascertaning the level of indigents, which will assist and lead in writing off bad debts..

**Cash flow statement requirements:** Cash to Interest Coverage and loan debt to cash:

Since the Municipality has no long term loans this mean that there is no need to pay for loan interests and all cash collected in revenue is therefore used towards the operational and capital requirements of the municipality.

Presently the Municipality do not have long term loans, as we are funding our Capital needs through own investments. However the cash flow management needs to be strengthened by implementing the credit control and debts collection policy stringently in order to increase cash and reduce outstanding debtors through disconnection of services for non payment on due date. Municipality then needs to ingage the community stakeholdres in order to pay for municipal services to sustain service delivery.

### **3. THE NATURE OF THE MUNICIPALITY**

As per section 40 (1) of the Constitution of the Republic of South Africa, Mookgophong Municipality is a local sphere of government. The establishment of the Municipality was published in the Provincial Gazette Extraordinary in 2000/10/01, Notice 306 of 2000 as per section 12 of the Municipal Structures Act (MSA), Act 117 of 1998.

In terms of section 3 of the MSA, the Municipality was determined as a Category B municipality. As a result of this determination the Municipality as per section 151 (1) of the Constitution is required to share Legislative Authority with the Waterberg District Municipality which is a category C Municipality.

In terms of section 9 (f) of the Local Government: Municipal Structure's Act, Mookgophong is a Plenary Executive System of government which is combined with a Ward Participatory system. The functions and powers of the Municipality are derived from section 84 of the MSA. In terms of section 19(1) of the MSA the objective of a Municipality as prescribed in section 152 of the Constitution is:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

In line with these Constitutional objectives the Municipality sets itself the targets of addressing the following in the IDP and Budget:

- water; sanitation; housing land; and electricity backlogs
- and reducing unemployment and economic decline in the area;
- improving institutional functioning and communication;
- dealing with solid waste and environmental management challenges ;
- improving health and safety issues in the municipality;
- improving road conditions and stormwater management; and
- facilitating education, Sports and Culture development.

The entity's Domicile:

**Corner Nelson Mandela Drive and 6<sup>th</sup> Street**

MOOKGOPHONG

**Private Bag X340**

MOOKGOPHONG

0560

## CHAPTER 2: PERFORMANCE HIGHLIGHTS

### 2.1 INFRASTRUCTURE AND BASIC SERVICE DELIVERY IN MOOKGOPHONG MUNICIPALITY.

#### 2.1.1 WATER SERVICES

##### Free Basic Water Services:

We are addressing our social challenges by ensuring that the indigents of Mookgophong, who qualify according to our standards of **R2,100** household income per month, do get free basic water services. Of our **R11,440,589** received equitable share, **R1,200,000** was spent for free basic water.

##### Universal access to water:

Water has been identified as Priority no 1 in the Municipality's IDP. The Municipality is a Water Services Authority in terms of the Water Services Act 108 of 1997. All households have access to portable water.

It is the municipality's priority to make sure that all communities have access to clean water and decent sanitation by 2010. Our Municipality had a backlog of 1647hh that still need provision for water, above RDP standards, as that is intention of Council. The backlog is as a result of newly established low income housing. This is 19% of the total households in our Municipality. Households in Naboomspruit, which is part of Ward 4, Ward 2 and Ward 3, have access to water provision above RDP levels. The informal settlements have only access to water in communal stand pipes within a 200m radius, as well as through the rotating water tanker vehicle. In Mookgophong Township Extension 6, 827 households connections are 75%, this provision is above RDP standards.

During this financial year, we have developed a plan to expand on the purification plant, from 2009/2010.

14 of our schools are connected with water pipelines in the school premise. All 3 of our clinics and the health Centre are connected for water provision.

#### 2.1.2 SANITATION SERVICES:

##### Free Basic Sanitation Services:

We are addressing our social challenges by ensuring that the indigents of Mookgophong, who qualify according to our standards of **R2, 100.00** household incomes per month, do

get free basic water services. Of our **R11,440,589** received equitable share, **R769,246.00** was spent for free basic sanitation.

We are striving to ensure that all of our communities have access to water borne sanitation by 2010. We are a fortunate Community, as we do not have bucket system of sanitation in our Municipality. Of our 17 school, 16 have access to sanitation. All of our 3 and Health Centre have access to high level of sanitation.

In terms of sanitation provision, 86% (7 148 households) have access to sanitation services above RDP standards while 14% (1 127 households) are below RDP standards in 2008/9. All erven in the Municipality have sanitation above the RDP level, i.e. water-borne sewage systems in urban areas, septic tanks in farming community areas and conservancy tanks in Roedtan. R850 000 was budgeted from own resources for bulk connections of RDP houses in Mookgophong Extension 6 (in ward1).

### **2.1.3 ELECTRICITY:**

Access to Free Basic Electricity: To address the social challenge a database will also be developed for the indigents, who will qualify for free basic electricity services. Of our **R11, 440,589** received equitable share, **R1, 650,200** was used for free basic electricity. **R1 700 000** was budgeted for the high mast light and **R483 560** was spent for both the design and installation of the high mast light. Target:

#### **Electricity for all by 2012:**

Electricity is provided by the Municipality in Ward 3 except in the farming area which is serviced by ESKOM, Ward 1 and 2 are also serviced by ESKOM, but its farming areas are serviced by the Municipality and finally in Ward 4, the town and the farming areas are serviced by the Municipality but its Ext 4 is serviced by Eskom. Most of the businesses and industries are serviced by the Municipality, and that result in boosting our financial viability as 41,2% of our income. The continuous provision of electricity was maintained over this period with no major disruptions, except in cases of load shedding.

The electrification of Mookgophong Extensions 4 (in ward 4) 800 houses has been electrified by Eskom, as it is in the Eskom licenced area. The uncertainty over transfer of municipal electricity assets and departmental staff to the REDs remained a challenge. During the 2008/2009 financial year **R472 000** of the budget was spent on the upgrading of the electrical network. The spending include maintenance of substations and replacement of damaged poles and stolen transformers.

### **2.1.4 ROADS AND STORM WATER**

Roads are adequately provided, as follows:

- Ward 1 is 60% surfaced
- Ward 2 is 65% surfaced
- Ward 3 is 80% surfaced
- Ward 4 is 75% surfaced

Plate 2.1.5 Stormwater control



**Source,** Technical Services 2008/2009

Plate 2.1.6. Roads



**Source,** Technical Services 2008/2009

We are making sure that we move towards ensuring conditions of life that are above RDP standards for all in Mookgophong.

To address challenges of both internal and bulk storm water control; we managed to complete phases 1 and 2 of bulk storm water in ward 4 and the internal storm water control in ward 1, 2 and 4.

Maintenance and Rehabilitation of roads and storm water drainage is done once every year. The roads are patched and re-tarred in case there are any holes. The storm water channels are cleaned.

### **2.1.5 HOUSING**

Housing needs have been identified and housing beneficiary list has been developed for subsidy linked housing programmes. Suitable pieces of land owned by the Municipality have also been identified for housing development to cover new development following breaking new ground (BNG) policy including upgrading of the current informal settlement. The number of informal houses located in proclaimed township to be formalised is standing at 1300. The challenge, however, is lack of **integrated planning**, water resources, bulk water and sewer infrastructure and limited funding to address internal services.

Municipal Housing Chapter is in place to ensure a planned BNG within Mookgophong, as we now have a tool in which there is an indication of housing needs, status quo on housing that includes housing backlogs. It guides on the supply of housing and also the land suitable for housing.

## **2.2 SOCIAL AND COMMUNITY SERVICES:**

### **2.2.1 WASTE MANAGEMENT (SOLID WASTE)**

A solid waste disposal service is rendered to all ervens in the formal settlements of Mookgophong, as well as the Army Depot, except in the farming areas. The Municipality investigated a new landfill site to replace the existing site. A budget of R2, 170,000 was made available for the both design and construction of a new landfill site.

Other projects done successfully under waste management are as follows:

- Rehabilitation of waste management site
- Provision of ten (10) mass containers.
- Purchasing of the tractor for refuse removal
- Erection of the “No dumping” warning board sign to ensure a clean Municipality.

Of our R11, 440,589 received equitable share, R950, 000 was used for free household refuse removal for the indigents.

### **2.2.2 SPORT, RECREATIONAL, ARTS AND CULTURAL FACILITIES**

R600 000 from the MIG was budgeted to upgrade and maintain sports facilities in Ward 3, Roedtan/ Thusang and as well as Ward 2, in Mookgophong township, to improve wellness and the social well being of the community.

### **2.2.3 PROTECTION SERVICES**

The Municipality performs disaster management and traffic licensing functions on behalf of the Waterberg District Municipality and the Limpopo Provincial Government respectively. Emergency plans for disaster management and health services have been drafted and operationalised. The Protection Services Department of the Municipality operates on a full time stand-by basis.

The Municipality received revenue of R2 million for licensing and permits. Traffic fines paid amounted to R112, 025, 00. These will assist us in expanding our testing fields once that has been approved by the Department of Transport.

### **2.2.4 ADRESSING OTHER SOCIAL SERVICE ISSUES**

#### **- Traffic management**

Mookgophong Town and Roedtan have high numbers of heavy vehicles travelling through the towns, about six teen thousand (16000) heavy vehicles pass through per month this has serious impact on the state of the roads in the municipality. Another contributor to poor road state is the toll gate; many vehicles pass through the town in an attempt to by-pass the toll gates thus increasing volumes and pressure on the road surface causing early damages.

#### **- Public Transport**

An amount of R1, 683 300 .00 was budgeted for the development of the Taxi rank, of which R1 203 550 was spending for the entire project. And a transport forum has been established for this financial year and we value that as it is crucial for the Municipality.

#### **- Schools**

There are 17schools in the municipality. 2 secondary in Mookgophong Town (former Naboomspruit)/ Mookgophong (Hans Strijdom & Makhutjisha); 15 primary schools (B.B. Matlaila, Badseloop, Blinkwater, Dikubu, Gruisfontein, Haakdoornkuil, Izama, Bysonderheid, Eugene N. Marais, Tuinplaas, Unitas, Mabaleng, Mahlatse, Matswapilong, Mogomaneng, Mojatau, Mokhari Farm, Motlhaping, Sekatekate, Tshivhula,

Tswalo, Wicklow & Sekgari); and 4 intermediate/combination schools (Mamanthane, Mamrunyana, Morolong, & Roedtan).

All of our schools as mentioned above are provided with basic services.

#### 2.2.5. SOCIAL SERVICES AND SPORTS AND RECREATION BACKLOGS:

##### - Sports

An expenditure of **R600 000** was realised for the refurbishment and maintenance of sports facilities. We are keeping on with a plan to improve our sports facilities and it was done successfully. Maintenance of these facilities is done on a continuous basis.

**Plate 2.2.5.1, Mookgophong stadium (Ablution block)**



**Source** Social and Community Services\_2008/2009

**Plate 2.2.5.1, Mookgophong stadium fence and gate**



**Source** Social and Community Services\_2008/2009

## **Parks**

Development of parks in ward 1(one) and ward four (Mookgophong) the maintenance of the existing park has been done successfully. The budget was R200, 000, 00 for development and R180, 000, 00 was spent on the development and for maintenance. The development of the park in the Entrance from Mokopane has also been completed

**Plate 2.2.5.2** Park in ward 2



**Source.** Social and Community Services\_2008/2009

## **2.2.6 LOCAL ECONOMIC DEVELOPMENT:**

With the levels of unemployment, which leads to poverty and vulnerability, with the worst affected being the historically disadvantaged individuals; the Municipality has a special window to create an environment conducive to ensure socio-economic development. As it is one of the mandates of local government to be developmental, we are leasing out some of our properties, not for profit making, but to create an environment for local economic development, towards the alleviation of poverty.

Though we have not projected the created job opportunities per area, there is significant job creation, based on the leases tabled below. When it comes to the implementation of projects in our Municipality, we also make sure that the poverty alleviation government program of EPWP, is realised to ensure domestic income and transfer of skills.

**Table 2.2,7 Leased Municipal Properties:**

| NAME OF MOOKGOPHONG, LEASED PROPERTIES AND FARMS                           | NAME OF THE LEASE                   | MONTHLY PAYMENT        | COMMENCING DATE OF THE LEASE | EXPIRY DATE OF THE LEASE |
|----------------------------------------------------------------------------|-------------------------------------|------------------------|------------------------------|--------------------------|
| 1 Woonhuis Plot 6 Grootvalley.[Rainbow Care Centre For The Children]       | Felephina Mashala                   | R250-00                | 1 February 2000              | Not mentioned            |
| 2.Portion 11 Of Farm Gruisfontein554 KR. [Mookgophong Corporative Limited] | Chairperson Moses MatomeNgoepe      | R2000-00               | 19 February 2006             | 19 February 2010         |
| 3. Plot 61 Grootvalley                                                     | PolaFrans Moerane                   | R250-00                | 1 February 2001              |                          |
| 4.Storeroom And Garage At Stand 412 Mookgophong [Ubuntu Art And Craft]     | Chairperson Ramadimetja Sara Kolobe | R132-00                | 1 November 2002              | 1 November 2003          |
| 5.Portion 60 of the Farm Grootvalley 532 KR[Itireleng Community Project]   | Chairperson Sekwati Frank Moropa    | Nil                    | 1 May 2007                   | 1 May 2008               |
| 6.Farm Harkdoringkuil 323 KR [Gageso Poultry farming]                      | Secretary Albert Maphologela        | Nil                    | 1 December 2005              | 1 December 2006          |
| 7.Stand 2190 Mookgophong Ntshehetseng project                              | Co-coordinator Anna Makwela         | R88-00                 | 1 August 2003                | 1 August 2005            |
| 8.Farm Vogelstruipan 552KP                                                 | J.M Rakgwale                        | R31-50 Per Large Stock | 1 July 2006                  | 1 July 2007              |

**Source,** Mookgophong LED 2008/2009

**Table 2.2.8:** Temporary jobs through municipal public works project are shown below:

| PROJECT DESCRIPTION                                        | PROJECT CHAMPION              | LOCATION/ WARD              | NO OF BENEFICIARIES | YOUTH | MEN | WOMEN | DISABLED |
|------------------------------------------------------------|-------------------------------|-----------------------------|---------------------|-------|-----|-------|----------|
| street cleaning                                            | Community services            | Throughout the Municipality | 50                  | 40    | 0   | 10    | 0        |
| Development of parks                                       | Department Community services | Ward 3 and 4                | 30                  | 30    | 0   | 20    | 30       |
| Development of indigent register                           | Office of the mayor           | Throughout the Municipality | 16                  | 16    | 3   | 13    | 0        |
| Extension of the Civic Centre, Naboomspruit                | Corporate Services            | Ward 4                      | 100                 | 7     | 37  | 63    | 0        |
| Renovation of 51 7 <sup>th</sup> Street House Naboomspruit | Corporate Services            | Ward 4                      | 10                  | 10    | 10  | 0     | 0        |
| Renovation of lapa Naboomspruit                            | Corporate Services            | Ward 4                      | 9                   | 4     | 5   | 4     | 0        |
| Renovation of Civic Centre Naboomspruit                    | Corporate Services            | Ward 4                      | 12                  | 12    | 0   | 0     | 0        |
| Paving of 1 <sup>st</sup> Street intersection, Mookgopong  | Technical Services            | Ward 2                      | 13                  | 4     | 7   | 6     | 0        |
| Construction of bulk storm water                           | Technical Services            | Ward 4                      | 78                  | 32    | 42  | 36    | 0        |

**Source,** Mookgophong LED 2008/2009

## 2.3 BACKLOGS IN SERVICE DELIVERY

The Municipality developed the 2009/2010 Integrated Development Plan (IDP) through an internal and external stakeholder process and was adopted by Council, as required in terms of section 35 of the MSA. In the 2008/2009 IDP, the Municipality identified the following issues; and related projects, as being critical (listed in order of priority):

- Water and Sanitation;
- Housing and Land;
- Electricity;
- Unemployment and Economic Decline;
- Institutional and Communication;
- Solid Waste and Environmental Management;
- Health and Welfare
- Safety and security;
- Roads and Stormwater;
- Education; and
- Sports and Culture.

The Service delivery statistics and backlog is as follows

### 2.3.1 WATER

Mookgophong is one on the plenary executive system; however given the resources for service provision, there can be growth in terms of population. The focus for the past term and the previous 2 years of the 2<sup>nd</sup> term is on expansion of sources water and infrastructure development, such as Upgrading of Welgevonden Pipeline Phase 4, Tin Mine Bulk Water, as well as the expansion of the Water Purification Plant. 1647 households are without water, as a Municipality, there is a plan in place to connect all formal houses to water. All of our clinics and Health Centre are connected for water provision. Six (6) schools are without water, and as they are in remote farm areas, it is a challenge to connect them, but discussions with the Department of Education are on.

| <b>Water</b>                                                                             |                                  |                 |               |                                  |                 |                |                                  |                  |                |
|------------------------------------------------------------------------------------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|----------------|----------------------------------|------------------|----------------|
|                                                                                          | <b>30<sup>th</sup> June 2007</b> |                 |               | <b>30<sup>th</sup> June 2008</b> |                 |                | <b>30<sup>th</sup> June 2009</b> |                  |                |
| <b>Water backlogs</b>                                                                    | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b>  | <b>Required</b>                  | <b>Budgeted</b>  | <b>Actual</b>  |
| <i>Backlogs to be eliminated: No of HH not receiving minimum standard of service</i>     | <b>1127</b>                      | <b>00</b>       | <b>00</b>     | <b>1127</b>                      | <b>00</b>       | <b>00</b>      | 1647                             | <b>827</b>       | <b>75%</b>     |
| <i>Backlogs to be eliminated: % HH identified as backlogs / total HH in municipality</i> | <b>19.2%</b>                     | 100%            | 1.31%         | 13.6%                            | 100%            | 0%             | 20%                              | 50.2%            | 75%            |
| <i>Spending on new infra-structure to eliminate backlogs Rand</i>                        |                                  | 8,5m            | 2590000       |                                  | 2250000         | 2155693        | 1647                             | 4,500,000        | 1. 700 000     |
| <i>Spending on renewal of existing infra-structure to eliminate backlogs Rand</i>        |                                  | 1668000         | 34415         |                                  | 110000          | 110000         |                                  | 785154.00        |                |
| <i>Total spending to eliminate backlogs Rand</i>                                         |                                  | 1668000         | 34415         | <b>259000</b>                    | <b>R12,360M</b> | <b>R2,265M</b> |                                  | <b>2,25 0000</b> | <b>2155693</b> |
| <i>Spending on maintenance to ensure no new backlogs are created Rand</i>                |                                  | 637333          | 618727        |                                  | 637333          | 618727         |                                  | 228186.00        | 280395.90      |

### 2.3.2. SANITATION

The focus during the first term of Council, as well as the previous 2 years of the 2<sup>nd</sup> term was to ensure sustainable bulk infrastructure, however during the process, development of new RPD houses was critical to ensure shelter for the poor, and that emanated in new but critical needs for 1647 households who are without sanitation. As a Municipality there is a plan in place to connect all formal houses to sewage system, this is due to the fact that the other sources of water are boreholes. All of our clinics and Health Centre are connected to sewage system. One of the schools is without sanitation, discussions with the Department of Education are on, regarding provision of sanitation to ensure a healthy environment of learners and surrounding community.

| <b>Sanitation</b>                                                                        |                                  |                 |               |                                  |                 |               |                                  |                 |               |
|------------------------------------------------------------------------------------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|
|                                                                                          | <b>30<sup>th</sup> June 2007</b> |                 |               | <b>30<sup>th</sup> June 2008</b> |                 |               | <b>30<sup>th</sup> June 2009</b> |                 |               |
| <b>Sanitation backlogs</b>                                                               | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> |
| <i>Backlogs to be eliminated: No of HH not receiving minimum standard of service</i>     | <b>1172</b>                      | <b>00</b>       | <b>00</b>     | <b>1172</b>                      | <b>00</b>       | <b>0</b>      | <b>1647</b>                      | <b>827</b>      | <b>0</b>      |
| <i>Backlogs to be eliminated: % HH identified as backlogs / total HH in municipality</i> | 19,2%                            | 00              | 0%            | 19,2%                            | 00              | 0             | 20%                              | 50.2%           | 0%            |
| <i>Spending on new infra-structure to eliminate backlogs Rand</i>                        |                                  | 2510796         | 468377        |                                  | 2510796         | 2155693       | 15 000 000                       | 4 850 000       | 689 000       |
| <i>Spending on renewal of existing infra-</i>                                            |                                  | 4265000         | 4683377       |                                  | 2510796         |               |                                  |                 |               |

|                                                                           |  |         |        |  |        |         |            |           |           |
|---------------------------------------------------------------------------|--|---------|--------|--|--------|---------|------------|-----------|-----------|
| <i>structure to eliminate backlogs Rand</i>                               |  |         |        |  |        | 2155693 | 1 500 000  | 75 744.00 | 75 744.00 |
| <i>Total spending to eliminate backlogs Rand</i>                          |  | 2120000 | 738467 |  | 655571 | 73846   | 16 500 000 | 4 925 744 | 764 744   |
| <i>Spending on maintenance to ensure no new backlogs are created Rand</i> |  | 197105  | 126558 |  | 243675 | 13622   | 1 000 000  | 75 744.00 | 294047.23 |

### 2.3.3 REFUSE REMOVAL

The challenge to be addressed during the reported year was to develop our own dumping site, to move out of the leased one. The number of household with not dust bins to ensure formal storage of domestic rubbish, are those in informal areas, in Ward 1 and 4.

| <i>Refuse Removal</i>                                                                    |                                  |                 |               |                                  |                 |               |                                  |                 |                   |
|------------------------------------------------------------------------------------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|-------------------|
|                                                                                          | <i>30<sup>th</sup> June 2007</i> |                 |               | <i>30<sup>th</sup> June 2008</i> |                 |               | <i>30<sup>th</sup> June 2009</i> |                 |                   |
| <i>Refuse Removal Backlogs</i>                                                           | <i>Required</i>                  | <i>Budgeted</i> | <i>Actual</i> | <i>Required</i>                  | <i>Budgeted</i> | <i>Actual</i> | <i>Required</i>                  | <i>Budgeted</i> | <i>Actual</i>     |
| <i>Backlogs to be eliminated: No of HH not receiving minimum standard of service</i>     | 1647                             | 500             | 137500        | 5803                             | 1595623         | 2,028,00      | 1127                             | 2000            | 2,349.000<br>2000 |
| <i>Backlogs to be eliminated: % HH identified as backlogs / total HH in municipality</i> | 18%                              | 100%            | 0%            | 60,2%                            | 100%            | 0%            | 13.6%                            | 130%            | 130%              |

|                                                                                   |  |               |               |  |                   |                   |                                                                       |                                                 |                  |
|-----------------------------------------------------------------------------------|--|---------------|---------------|--|-------------------|-------------------|-----------------------------------------------------------------------|-------------------------------------------------|------------------|
| <i>Spending on new infra-structure to eliminate backlogs Rand</i>                 |  |               |               |  |                   |                   | <i>The amount for NEW dumping site as well as trucks and tractors</i> | <i>1475154. Budget for new dumping+ tractor</i> | <i>930852.85</i> |
| <i>Spending on renewal of existing infra-structure to eliminate backlogs Rand</i> |  | <i>5000</i>   | <i>45361</i>  |  | <i>1,115000</i>   | <i>1012204.08</i> | <i>Budget for maintenance</i>                                         | <i>12246.00</i>                                 | <i>323.68</i>    |
| <i>Total spending to eliminate backlogs Rand</i>                                  |  | <i>303177</i> | <i>289560</i> |  | <i>1012204.08</i> | <i>1012204.08</i> |                                                                       | <i>1475154.00</i>                               | <i>930852.85</i> |
| <i>Spending on maintenance to ensure no new backlogs are created Rand</i>         |  | <i>5000</i>   | <i>45361</i>  |  |                   |                   |                                                                       | <i>12246.00</i>                                 | <i>323.68</i>    |

### 2.3.4 ELECTRICITY:

As a Municipality, we are also an Electricity Authority, however the other areas of our Municipality, that are within the area of ESKOM, such as Ward 1, Ward 2 and some Extension of Ward 4. There are 1647 houses without electricity, out of that only 48 are in Ward 3, which is in our area of jurisdiction, in terms of electrification licence. 1589 needs were submitted to ESKOM,

800 connected by ESKOM and 847 in the design stage to be funded by DME. The Municipality connected 48 houses in Ward 3. All of our clinics are electrified, 8 schools are without electricity, and there is a plan to connect them.

| <b>Electricity</b>                                                                       |                                  |                 |               |                                  |                 |               |                                  |                                |               |
|------------------------------------------------------------------------------------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|----------------------------------|--------------------------------|---------------|
|                                                                                          | <b>30<sup>th</sup> June 2007</b> |                 |               | <b>30<sup>th</sup> June 2008</b> |                 |               | <b>30<sup>th</sup> June 2009</b> |                                |               |
| <b>Electricity Backlogs</b>                                                              | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> | <b>Required</b>                  | <b>Budgeted</b>                | <b>Actual</b> |
| <b>30kWh pm</b>                                                                          |                                  |                 |               |                                  |                 |               |                                  |                                |               |
| <i>Backlogs to be eliminated: No of HH not receiving minimum standard of service</i>     | 1645                             | R15,5 m         | R8,9m         | 1675                             | 16m             | 1904689       | 2 590                            | 827<br>Eskom<br><br>47Internal | 65%           |
| <i>Backlogs to be eliminated: % HH identified as backlogs / total HH in municipality</i> | 19,8%                            | 100%            | 57,4m         | 19.1%                            | 100%            |               | 31,3%                            | 31,9%                          | 65%           |
| <i>Spending on new infra-structure to eliminate backlogs Rand</i>                        |                                  | 25000           | 620000        |                                  | 394121          | 394121        | 17, 000, 000                     | 1,693.00                       | 460 000       |
| <i>Spending on renewal of existing infra-structure to eliminate backlogs Rand</i>        |                                  | 13940000        | 1196538       |                                  | 1726000         | 12406642      | 1 500 000                        | 98970.00                       | 415519.57     |
| <i>Total spending to eliminate backlogs Rand</i>                                         |                                  | 2294000         | 1986663       |                                  | 12406642        | 620000        | 18 500 000                       | 100 663                        | 875 519.57    |

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|                                                                           |  |       |        |  |         |         |           |          |           |
|---------------------------------------------------------------------------|--|-------|--------|--|---------|---------|-----------|----------|-----------|
| <i>Spending on maintenance to ensure no new backlogs are created Rand</i> |  | 35000 | 370429 |  | 1726000 | 4700000 | 1 200 000 | 98970.00 | 415519.57 |
|---------------------------------------------------------------------------|--|-------|--------|--|---------|---------|-----------|----------|-----------|

**2.3.5 INTERNAL ROADS AND STORM WATER:**

| <b>Roads</b>                                                                         |                                  |                 |                |                                  |                 |                |                                  |                 |               |
|--------------------------------------------------------------------------------------|----------------------------------|-----------------|----------------|----------------------------------|-----------------|----------------|----------------------------------|-----------------|---------------|
|                                                                                      | <b>30<sup>th</sup> June 2007</b> |                 |                | <b>30<sup>th</sup> June 2008</b> |                 |                | <b>30<sup>th</sup> June 2009</b> |                 |               |
| <b>Roads Backlogs</b>                                                                | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b>  | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b>  | <b>Required</b>                  | <b>Budgeted</b> | <b>Actual</b> |
| <i>Backlogs to be eliminated: No KM not providing minimum of standard of service</i> | <b>31,9</b>                      | <b>40m</b>      | <b>1,1km</b>   | <b>30,7km</b>                    | <b>40km</b>     |                | <b>31,9KM</b>                    | <b>1.5km</b>    | <b>0.8km</b>  |
| <i>Backlogs to be eliminated: % Km identified as a backlog/ total Kms</i>            |                                  |                 |                | 10,9%                            | 100%            | 10%            | 100%                             | 5%              | 53%           |
| <i>Spending on new infra-structure to eliminate backlogs Rand</i>                    |                                  | 3115000         | 2068431        |                                  | 900000          | 790125         | 36 000 000                       | 930942.00       | 1 400 000     |
| <i>Spending on renewal of existing infra-structure to eliminate backlogs Rand</i>    |                                  | 616000          | 615474         |                                  | 1394000         | 1196538        | 3 200 000                        | 930942.00       | 890034.98     |
| <i>Total spending to eliminate backlogs Rand</i>                                     |                                  | <b>3731000</b>  | <b>1047095</b> |                                  | <b>2294000</b>  | <b>1986663</b> | 39 200 000                       | 1 861 884       | 2 290 035     |
| <i>Spending on maintenance to ensure no new</i>                                      |                                  | 360000          | 300210         |                                  | 350000          | 370429         | 3 500 000                        | 9960.00         | 11309.64      |

|                                  |  |                 |                |  |                |                |               |           |           |
|----------------------------------|--|-----------------|----------------|--|----------------|----------------|---------------|-----------|-----------|
| <i>backlogs are created Rand</i> |  |                 |                |  |                |                |               |           |           |
| <b>Totals</b>                    |  | <b>10285645</b> | <b>5294432</b> |  | <b>8854069</b> | <b>8112929</b> | 42 700<br>000 | 1 871 844 | 2 301 344 |

The major challenges in terms of the storm water are both the internal storm water control which was not adequately addressed during the construction of the internal roads and the bulk storm water that passes through the residential areas. In addressing these challenges, about 0.8km of bulk stork water was completed as phase 1 at 2.5mill. With underground culverts, and about 1.2 km internal storm water control was completed with underground 600mm diameter pipe culverts and about 45m concrete channel at R1.5mill.

**2.4 SUMMARY OF SERVICE DELIVERY BACKLOGS REMAINING**

**Table 2.4,** the number of households without services as at 30 June 2009

| BASIC SERVICES | NO OF HOUSEHOLDS WITHOUT SERVICES |
|----------------|-----------------------------------|
| Water          | 1647                              |
| Electricity    | 1627                              |
| Sanitation     | 1647                              |

**Source,** Technical services Department, 2008/2009

**Table 2.4.1,** Public facilities without connections are as follows

| SERVICE     | SCHOOL WITHOUT CONNECTION | CLINIC WITHOUT CONNECTION |
|-------------|---------------------------|---------------------------|
| Water       | 06                        | 0                         |
| Sanitation  | 06                        | 0                         |
| Electricity | 08                        | 0                         |

**Source,** Technical services Department, 2008/2009

## 2.5 BUILDING AND ZONING PLANS PASSED IN 2008/2009

**Table 2.5,** The building plans passed is are follows:

| APPLICATIONS OUTSTANDING 1 JULY 2009 | CATEGORY              | NUMBER OF NEW APPLICATIONS RECEIVED 2008/09 | TOTAL VALUE OF APPLICATIONS RECEIVED RAND | APPLICATIONS OUTSTANDING 30 JUNE 2009 |
|--------------------------------------|-----------------------|---------------------------------------------|-------------------------------------------|---------------------------------------|
| 0                                    | Residential new       | 41                                          | R7,180.76                                 | 0                                     |
| 0                                    | Residential additions | 62                                          | R10,177.36                                | 0                                     |
| 0                                    | Commercial            | 02                                          | R915.31                                   | 0                                     |
| 0                                    | Industrial            | 03                                          | R3,521.89                                 | 0                                     |
| 0                                    | Townhouses            | 08                                          | R3,220.76                                 | 0                                     |
| 0                                    | Churches              | 01                                          | R617.17                                   | 0                                     |
| 0                                    | Schools               | 0                                           | 0                                         | 0                                     |
| 0                                    | Offices               | 0                                           | 0                                         | 0                                     |

**Source,** Municipality Finance department, 2008/2009

**The average** time taken to approve building plan applications during the financial year was 3 weeks compared to 4 weeks in 2008/9.

**The average** time taken to approve re/zoning applications during the financial year was 6 months. Town planning section is under the department of technical services.

Challenges in the approval process include lack of bulk water for growth and expansion.

Strategic planning in the Municipality is done without the guidance of a Spatial Development Framework Plan and in this case the Scheme takes precedence. SDF is still a draft.

## 2.6 FREE BASIC SERVICES AND INDIGENCE

The current free basic policy allows for six kilolitres of water to be provided to all households for free of charge. Council has reviewed the indigent Policy whereby only indigents households ie, whose income is R2500 per month are targeted with effect from 1 July 2009. The indigent register has been established and is reviewed annually. Presently there are 1472 indigent households who have registered and they receive a monthly subsidy of R220 per month, 6kl free water and 50 units of free Basic electricity(FBE). There are also indigent households who are getting 50 units of FBE in the Eskom Lisence area.

There are about 1647 households who receive Free water from the standpipe and others supplied by the water tanker daily.

**Table 2.6** Free Basic Services of Indigent Households

|                                                                                             | NO OF<br>INDIGENT<br>HOUSEHOLDS<br>WHO<br>BENEFITED IN<br>2007/08 | AMOUNT<br>SPENT IN<br>2007/08 | NO OF<br>INDIGENT<br>HOUSEHOLDS<br>WHO<br>BENEFITED IN<br>2008/09 | AMOUNT<br>SPENT IN<br>2008/09 |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|-------------------------------|
| Indigent households who applied for indigent subsidy of R200 per month for the year are :   | 1132                                                              | R226400.00                    | 1155                                                              | R231000.00                    |
| Free Basic Water (FBW) of 6kl per month :                                                   | 1132                                                              | R369213.12                    | 1155                                                              | R395841.00                    |
| Households who are receiving Free Basic Electricity of 50 units per month from Municipality | 971                                                               | R245712.00                    | 526                                                               | R551922.00                    |
| Free Basic Electricity (FBE) of 50 units for Eskom customers                                | 1717                                                              | R689 589                      | 1681                                                              | R524 546                      |
| Total Expenditure on Free Basic Services (FBS)                                              | 4952                                                              | R1530914                      | 4517                                                              | R1 703 309                    |

**Source,** BillR Sebata FMS, 2008/2009

## **CHAPTER 3:**

# **HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT**

### **3.1 GOVERNANCE STRUCTURE AND MANAGEMENT STRUCTURE**

#### **3.1.1 COUNCIL**

Mookgophong is a Plenary Executive System of government combined with a ward participatory system as contemplated under section 9(f) of the Local Government Municipal Structures Act, Act 117 of 1998. In terms of section 84 of the Structures Act the Municipality enjoy the functions of being a water and electricity authority.

The structure of governance in the Municipality consists of the legislative and executive body of which Council is the highest seating followed by Portfolio Committees which get their legislative authority from Council delegations. Seating in Council is elected representatives from various political parties. The composition of these elected representatives is as follows 4 proportionally elected Councillors and 4 ward Councillors.

The majority party in Council is the African National Congress which is represented by 5 members and the minority is represented by the Freedom Front which has 2 members and the DA with 1 member. Two of the eight Councillors are permanent Councillor these councillors are the Mayor and Council Whip. The Mayor in the

Municipality is a ceremonial position and has no executive powers; all executive and legislative powers are exercised by Council. However Council is assisted by 6 section 80 committees in exercising its authority.

In the last financial year 14 Council settings were planned and 14 Council seating's were actually convened. This is a clear indication that in the last financial year the governing institutions of the Municipality were functioning effectively. Attendance of these Council meetings by the various Councillors reflect a majority attendance as there was no meeting that did not seat due to not having a all the members present who constitute a full seating of Council. The Mayor showed clear leadership as she attended all Council meetings and all Committee meetings for which she is responsible for. The majority of councillors in the Municipality also showed a 90% attendance rate for all Council and Committee seating.

Council is constituted of 8 Councillors, 2 of them being full time, the Mayor/Speaker and the Council Whip. The political spread of our Councillors is as follows:

Table 3.1 Political Leaders:

| COUNCILLOR      | PARTY | POERTFOLIO                           | GENDER |
|-----------------|-------|--------------------------------------|--------|
| KS Lamola       | ANC   | Ward 3 Councillor,<br>Mayor, Speaker | Female |
| N.S Monyamane   | ANC   | Council Whip and<br>Ward 1 Councilor | Female |
| R.E Kgosane     | ANC   | Ward 2 Councilor                     | Female |
| R.L Seanego     | ANC   | Ward 4 Councilor                     | Female |
| RM Kekana       | ANC   | PR Councilor                         | Male   |
| CJ Espach       | VF    | PR Councilor                         | Male   |
| C.J.A Pretorius | VF    | PR Councilor                         | Male   |
| V Roothman      | DA    | PR Councilor                         | Female |

Plate 3.1 Political Leaders:

*Clr. K.S Lamola (ANC)*  
**Honorable Mayor** and Ward Councilor of  
 Ward 3



*Clr. N.S Monyamane (ANC)*  
**Council Whip** and Ward Councilor for  
 Ward 1



*Clr. R.E Kgosane (ANC)*  
*Ward Councilor of Ward 2*



*Clr. R.L Seanego (ANC)*  
*Ward Councilor for Ward 4*



*Clr. RM Kekana (ANC)*  
*PR Councilor*



*Clr. CJ Espach (VF)*  
*PR Councilor*



*Clr. C.J.A Pretorius (VF)*  
*PR Councilor*



*Clr. V Roothman(DA)*  
*PR Councilor*



**Plate 3.1.1, Portfolio Committee to Councillors**

| PORTFOLIOS                                                                                                                                                                                                                                                                                               | CHAIRPERSON | MEMBERS                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------|
| <b>Budget &amp; Treasury and Technical Services</b> <ol style="list-style-type: none"> <li>1. Budget treasury and asserts</li> <li>2. Rates, taxes, Revenue&amp; Expenditure</li> <li>3. IDP, Housing and Infrastructure</li> </ol>                                                                      | KS Lamola   | MR Kekana<br>CJ Espach<br>LS Seanego<br>JCA Pretorius |
| <b>Corporate services</b> <ol style="list-style-type: none"> <li>1. Corporate Services</li> <li>2. Legal and Administration</li> <li>3. Human Resources</li> <li>4. Property</li> <li>5. LED, Tourism &amp; Land</li> </ol>                                                                              | CJ Espach   | V Roothman<br>S Monyamane                             |
| <b>Social &amp;Community Services</b> <ol style="list-style-type: none"> <li>1. Social And Services</li> <li>2. Health an Environment</li> <li>3. Youth, Sports, Arts and Culture</li> <li>4. Security, Protection and Traffic</li> <li>5. Gender and Disability</li> <li>6. Public Transport</li> </ol> | MR Kekana   | E Kgosana<br>S Monyamane<br>KS Lamola                 |

| <del>MOOKGOPHONG LM – 2008/2009 CIRCULAR 11 ALIGNED ANNUAL REPORT</del> |           |                        |
|-------------------------------------------------------------------------|-----------|------------------------|
| 7. Special Programmes                                                   |           |                        |
| 1. Rules and Order                                                      | KS Lamola | MR Kekana<br>CJ Espach |

Source, Municipality HR, 2008/2009

### 3.1.2 AUDIT COMMITTEE

In terms of section 166 of the MFMA, Council has appointed the Audit Committee. This Committee is also responsible for auditing the performance of the municipality. An internal audit department has been established, which has conducted all the necessary audits required in terms of the Legislation which is constituted as follows:

**Table 3.1.2, Qualifications and experience of Audit Committee members:**

| NO | CANDIDATE NAME         | QUALIFICATION                                                                                                        | EXPEIENCE(PROFESSIONAL)                                                                                                                     |
|----|------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Mahlatsi Malaka (Male) | B.Proc, Advance Diploma Labour Law, Fundamental Residence Real Estate Certificate.                                   | Head Legal and Forensic Leswika Corporate Consulting.                                                                                       |
| 2  | Madisha Isaiah (Male)  | Certificate in Accounting and Finance, Management Development Programme, Corporate Governance Certificate Programme. | Chairperson of Various Committees in various institutions and the former Chairperson of the Mookgophong Local Municipality Audit Committee. |
| 3  | Poopedi Daniel(Male)   | B Com, B Compt. Hons, CTA.                                                                                           | Outgoing Audit Committee member, Lecturer Auditing.                                                                                         |
| 4  | Ledile Molohe (Female) | National Diploma: Town AND Regional Planning, Advance Leadership Course, Certificate in Mining and Minerals.         | Board Member of Five Institutions and Audit Committee member in Molemole.                                                                   |
| .5 | Mamokwa Mpai(Male)     | Chartered Accountant (SA), BCom, CTA, Diploma Advance Banking                                                        | CEO Mamoka Financial Services, Senior Lecturer, Senior Manager - Auditor General, Audit Coordinator.                                        |

### 3.1.3 WARD COMMITTEES

Ward committees are in place in all four wards, and they are chaired by Ward Councillors. Functioning of the ward committees was also enhanced through capacity building workshops and payment of stipends a minimum of four ward committee meetings were held prior to each scheduled Council meeting.

### 3.1.4 MUNICIPAL ADMINISTRATION

The administrative arm of the Municipality is headed by the Accounting Officer also referred to in legislation as the Municipal Manager. The Municipal Manager in consultation with Council has appointed all Section 57 managers to manage the following departments:

- The Budget and Treasury
- The Corporate Services
- Technical Services
- The Social and Community Services

**Table 3.1.3,** The senior management structure of the Municipality is as follows:

| GENDER | NAME AND DESIGNATION                   | QUALIFICATION                                                                                                                                                                                                                                                          | EXPERIENCE( PROFESSIONAL)                                                                                                                                                                                                                                                      |
|--------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Mokgadi J Kgatla:<br>Municipal manager | B. Admin: UNIN: RSA<br>BA Hon. HRD: RAU: RSA<br>Post Graduate Diploma:<br>Capacity Building for Planning<br>and Management of Urban<br>Development: ROTTERDAM:<br>HOLLAND<br>Certificate Programme in<br>Management Development<br>for Municipal Finance: WITS:<br>RSA | Deputy Director and Regional Head<br>Department of Local Government<br>and Traditional Affairs: Limpopo<br><br>Provincial Manager(Limpopo,<br>Mpumalanga and North West):<br>LGSETA<br><br>Municipal Manager: Greater Taung<br>Local Municipality: North West                  |
| 2.     | Frans Makwe S<br>Modise                | N,Diploma (Civil): TNT: RSA<br>B.Tech. (Transportation):<br>Wits: RSA                                                                                                                                                                                                  | <u>VIAPLAN Engineers</u> : Soil lab<br>Manager, design engineer<br><u>Mogolola Mokoka &amp; Associates (civil<br/>engineers)</u> : office Manager<br><u>NFM Multi consulting Engineers</u> :<br>office Manager<br><u>Maluti-A-Phofung Local<br/>Municipality</u> : PMU Manager |
| 3.     | Daniel A Masengana                     | B.Com. Accounting: Unin RSA<br>Executive leadership<br>programme in Local<br>government: UP: RSA                                                                                                                                                                       | <u>Venda Development corporation</u> :<br>accountant<br><u>Thulamela Local Municipality</u> :<br><u>Makhado Local Municipality</u> : CFO                                                                                                                                       |
| 4.     | XW Ngobeni                             | ND. Environmental sciences<br>B.Tech. Environmental<br>sciences                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                |

**Plate 3.1, Section 57 Manager's Organisational Structure**

*Ms. M.J Kgatla*  
*Municipal Manager*

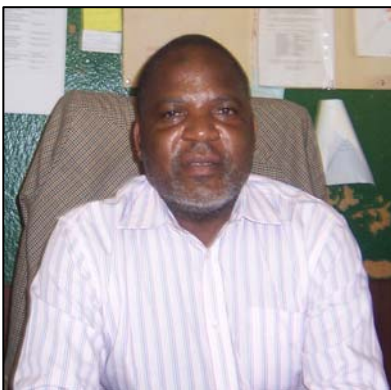
Municipal Manager

CFO

Manager Social and  
Community Services

Manager Cooperate  
Services

Manager Technical  
Services



*Mr. D.A Masengana*  
*Chief Financial Officer*



*Ms. XW Ngobeni*  
*Manager Social and  
Community Services*



*Mr. K.S Matjiu*  
*Manager Cooperate Services*



*Mr. FMS Modise*  
*Manager Technical Services*

### 3.2 ORGANISATIONAL AND HUMAN RESOURCE MANAGEMENT

The organisational structure of the Municipality was intended to address the service delivery demands of the Municipality; however it was still a learning curve towards a more prescriptive approach towards Municipal transformation. The intension was to ensure that the Municipality identify the critical positions required to meet service delivery needs and employ the appropriately qualified people who are well motivated to work on meeting these challenges. The achievements to date as a result of this restructuring are as follows:

- **Organisational Review and Development:** The Municipality embarked on prioritising positions on an organisational structure, that was reviewed during 2007/2
- **Filling of Key Posts:** Key positions towards the implementation of effective administration and institutional systems were vacated and were filled during the current financial year to ensure effectiveness. This was a post of the building inspector and that of the Switch board operator.

**Human resource management:** The Municipality regards personnel resource management as a strategic activity aimed at ensuring a collective contribution to the achievement of service delivery and to the economic objectives of the Municipality. Personnel management therefore has the objective to achieve success through people by effectively capacitating, valuing and ensuring sound relationships among staff.

**Labour relations:** In a short space of time the Municipality has overcome major challenges with respect to establishing uniform conditions of employment service that ensures equity and diversity in its personnel. Working together with the unions at present is intended to develop an understanding that seeks to reduce industrial action and promote dialog at all times. This partnership is there to ensure that service delivery is not hampered.

**Employment equity:** The equity policy of the Municipality is in line with best practice and legislative requirements, specifically the Employment Equity Act of 1998. The current staff component of the Municipality totals to about 180 staff members and to implement the plan requires sensitivity hence the plan is being implemented in stages, with the following as the current equity distribution in the Municipality:

- Africans 58.8%
- Whites 15.5%
- Coloured 0%
- Indians 0%
- Females 25.5%
- People with disabilities 2%

In relation to the demographic distribution the current equity statistics indicate a representative distribution of populations groups within the Municipality. In line with the equity plan the Municipality will strive to ensure that all demographic groups are represented within the

Municipal Administrative Structure. This effort in the near future will seek to alter the current representation scenario represented above.

Guiding the implementation of the equity plan is the following:

- Foster diversity in the workplace;
- Eliminate all forms of unfair discrimination;
- Ensure that all the people of South Africa and the Limpopo Province are equitably represented in the municipality;
- Prepare the ground for effective change through appropriate and ongoing investment in training and development.

**Table 3.2, Employment Equity in the Municipality is as follows:**

| <i>Employees</i>                          |                |                 |               |              |                |                 |               |              |              |
|-------------------------------------------|----------------|-----------------|---------------|--------------|----------------|-----------------|---------------|--------------|--------------|
| <i>Occupational Level</i>                 | <i>Male</i>    |                 |               |              | <i>Female</i>  |                 |               |              | <i>Total</i> |
|                                           | <i>African</i> | <i>Coloured</i> | <i>Indian</i> | <i>White</i> | <i>African</i> | <i>Coloured</i> | <i>Indian</i> | <i>White</i> |              |
| <i>Legislators</i>                        | 1              | 0               | 0             | 2            | 4              | 0               | 0             | 1            | 8            |
| <i>Directors &amp; Corporate Managers</i> | 3              | 0               | 0             | 0            | 2              | 0               | 0             | 0            | 5            |
| <i>Middle Management</i>                  | 6              | 0               | 0             | 5            | 3              | 0               | 0             | 1            | 15           |
| <i>Professionals</i>                      | 5              | 0               | 0             | 1            | 3              | 0               | 0             | 0            | 9            |
| <i>Technicians &amp; Trade Workers</i>    | 2              | 0               | 0             | 3            | 1              | 0               | 0             | 0            | 6            |
| <i>Community &amp; Personal Services</i>  | 5              | 0               | 0             | 0            | 7              | 0               | 0             | 0            | 12           |
| <i>Clerical &amp; Administrative</i>      | 5              | 0               | 0             | 1            | 10             | 0               | 0             | 5            | 21           |
| <i>Machine Operators &amp; Drivers</i>    | 24             | 0               | 0             | 0            | 0              | 0               | 0             | 0            | 24           |
| <i>Labourers / Elementary Workers</i>     | 58             | 1               | 0             | 4            | 22             | 0               | 0             | 0            | 85           |
| <b>Total</b>                              | <b>109</b>     | <b>1</b>        | <b>0</b>      | <b>16</b>    | <b>5</b>       | <b>0</b>        | <b>0</b>      | <b>7</b>     | <b>184</b>   |

Source, HR officer, 2008/2009

**Remuneration of politicians and senior officials:** In keeping with the laws of the land the Municipality here present the remuneration and benefits paid to the political office bearers and the senior staff.

**Table 3.2.1:** Council Remuneration Package 2008/2009

| POLITICAL OFFICE | ALLOWANCE | TRAVEL ALLOWANCE | CELL ALLOWANCE | TOTAL REMUNERATION |
|------------------|-----------|------------------|----------------|--------------------|
| RE Kgosana       | 97239.25  | 34621.14         | 9562.00        | 141422.39          |
| CJ Espach        | 85509.80  | 32814.42         | 9562.00        | 127886.22          |
| V Roothman       | 111492.86 | 34621.14         | 9562.00        | 155676.00          |
| L Seanego        | 97239.26  | 34621.14         | 9562.00        | 141422.40          |
| JCA Pretorius    | 111492.86 | 34621.14         | 9562.00        | 155676.00          |
| NS Monyamane     | 242734.96 | 86553.24         | 15324.00       | 344611.38          |
| KS Lamola        | 322423.14 | 116407.08        | 15324.00       | 454154.22          |
| R.M Kekana       | 97239.25  | 34621.14         | 9562.00        | 141422.39          |

**Source,** Mookgophong Municipality Finance, 2008/2009

**Table 3.2.2:** Section 57 Managers: Actual earnings 2008/2009

| DESIGNATION                           | ANNUAL SALARY     | TRAVEL ALLOWANCE | BONUS     | TOTAL REMUNERATION/ PACKAGE |
|---------------------------------------|-------------------|------------------|-----------|-----------------------------|
| 1. Municipal Manager                  | 534500.00         | 130900.00        | 00        | 665400.00                   |
| 2.Chief Financial Officer             | 312551.60         | 133848.40        | 00        | 436122.60                   |
| 3. Manager Social & Community Service | 372567.96         | 111375.00        | 00        | 483942.96                   |
| 4.Manager Corporate Services          | 302282.08         | 113045.20        | 00        | 415327.28                   |
| 5.Manager Technical Services          | 372567.96         | 121491.60        | 00        | 494059.56                   |
| <b>Total:</b>                         | <b>1884192.30</b> | <b>610660.00</b> | <b>00</b> | <b>2494852.40</b>           |

**Source,** Mookgophong Municipality Finance, 2008/2009

**Skills development and training:** The Municipality recognises the importance of investing in its human capital through carefully planned skills development initiatives. This Municipality is doing and planning to continue by placing significant value on the education, training and development of its workforce, and by encouraging employees to take advantage of appropriate opportunities aimed at advancing their skills and competency levels.

A Workplace Skills Plan was developed and implemented to address skills needs. Skills development is linked to other human resource processes and provides valuable information for recruitment and selection, succession planning, performance management, and promotion. During the 2008/2009 financial year the Municipality trained 67 employees, and we managed to receive grants fro LGSETA as follows:

**Table 3.2.3** Critical skill

| CRITICAL SKILL             | DEPARTMENT          | TRAINEES | INSTITUTION | COST IMPLICATIONS |
|----------------------------|---------------------|----------|-------------|-------------------|
| Financial management: CPMD | Executive           | 1        | Wits        | R45,000.00        |
|                            | Budget and Treasury |          |             |                   |
|                            | Technical           |          |             |                   |
| PMS                        | All                 | 30       | Makhuvha    |                   |

**Source:** HR 2008/2009

**Employee wellness:** Employee Wellness is a strategic approach that is workplace based and directed at the improvement of the quality of life of employees and their families. The approach is facilitated by programmes providing a supportive system that alleviate the impact of everyday work and personal challenges. Steps to deal with employee wellness issues have been taken by the Municipality in the last financial year, mainly in terms of sports for fitness and will be intensified in the next financial year.

The municipality's wellness HIV and AIDS policy is aiming to create a holistic framework for employee wellness through its integration of HIV and AIDS programmes with its Employee Assistance Programme. The intension is to manage HIV and AIDS in the workplace and eliminate unfair discrimination by promoting a supportive environment for all employees regardless of their HIV and AIDS status.

**Performance management system:** Performance management is regarded as a critical communication process that helps managers provide a motivating climate to assist employees in developing and achieving high standards of performance. The Municipal Systems Act 32 of 2000 requires that all municipalities establish a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in the IDP.

**Defining performance management:** Performance management in the Municipality is about the setting and measurement of outcomes defined in the SDBIP of the Municipality and making such targets and individual and collective effort to achieving of the strategic vision of the municipality. The performance system of the Municipality is a multi levelled process that starts with an overall strategy and cascades to organisational, departmental and individual performance management and appraisal.

Through the appraisal process key achievements were highlighted and a number of challenges were also identified (see Chapter 2 above).

**Table 3.2.4,** Pension funds and medical aid funds:

| <b>PENSION FUND</b>             | <b>NO. EMPLOYEES</b> |
|---------------------------------|----------------------|
| Municipal Employee Pension Fund | 58                   |
| Sala Pension Fund               | 7                    |
| IMATU Provident Fund            | 12                   |
| Municipal Gratuity Fund         | 106                  |

| <b>PENSION FUND</b>                | <b>NO. COUNCILLORS</b> |
|------------------------------------|------------------------|
| Municipal Councillors pension Fund | 6                      |

| <b>MEDICAL AID FUND</b> | <b>NO. EMPLOYEES</b> |
|-------------------------|----------------------|
| Bonitas                 | 3                    |
| Munimed                 | 21 with 11 retired   |
| Samwumed                | 20 with 1 retired    |
| LA Health               | 22                   |
| Hosmed                  | 30                   |

**Table 3.2.5,** Areas (outstanding money owed to municipality by staff/councillors)**COUNCILLORS:**

| <b>NAME</b>   | <b>TOTAL</b> | <b>STATUS AS OF 30 JUNE 2009</b> |
|---------------|--------------|----------------------------------|
| KS LAMOLA     | 00           | Paid up                          |
| MS MONYAMANE  | 00           | Paid up                          |
| RM KEKANA     | 00           | Paid up                          |
| V Roothmn     | 00           | Paid up                          |
| RL SEANEGO    | NO ACCOUNT   | Paid up                          |
| CJ ESPACH     | 00           | Paid up                          |
| JCA PRETORIUS | 00           | Paid up                          |
|               | R279         | Paid up                          |
| RE KGOSANA    | 00           | Paid up                          |
|               | R279         | R00                              |

**Source,** Municipality Budget and treasury, 2008/2009

**STAFF OWING:**

| NAME        | TOTAL         | STATUS AS OF 30 JUNE 2009 |
|-------------|---------------|---------------------------|
| MS KGONYANE | 1354          | -565                      |
| E MOROPA    | 934           | -152                      |
| SM NXUMALO  | 217           | 29                        |
| LG MONAMA   | 2423          | 2997                      |
| MR RAMPEDI  | 7149          | 3941                      |
| TH BALOYI   | 354           | 916                       |
| MP MOLAUTSI | 2607          | 659                       |
|             | <b>15 041</b> | <b>7827</b>               |

**Source,** Municipality Budget and treasury, 2008/2009

**Table 3.2.6:** Human resources per Functional Area:

**DEPARTMENTAL PERSONNEL COMPONENT: EXECUTIVE OFFICE**

| POSITION                | OCCUPANT           | REQUIRED QUALIFICATION                                                                                                                                                                                                            | CURRENT QUALIFICATION                                                                                                                                                                          | NUMBER OF YEAR EXPERIENCE IN LOCAL GOVERNMENT SECTOR | RACE AND GENDER       |
|-------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------|
| <i>Internal Auditor</i> |                    | <ul style="list-style-type: none"> <li>• <i>NQF Level 5 or equivalent qualification in Auditing and Accounting</i></li> <li>• <i>Computer Literacy</i></li> <li>• <i>2-3 years experience in financial environment</i></li> </ul> |                                                                                                                                                                                                |                                                      |                       |
| <i>IDP Officer</i>      | <i>PW Masetlha</i> | <i>NQF Level 5</i>                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>• <i>B- Tech Degree in Management</i></li> <li>• <i>Certificate in Total Quality management</i></li> <li>• <i>Secondary teachers Diploma</i></li> </ul> | <i>2 years</i>                                       | <i>Male African</i>   |
| <i>PA</i>               | <i>ME Phoka</i>    | <ul style="list-style-type: none"> <li>• <i>NQF Level 4 or relevant Secretarial qualification.</i></li> </ul>                                                                                                                     | <ul style="list-style-type: none"> <li>• <i>Diploma Office Administration</i></li> <li>• <i>Customer Care</i></li> <li>• <i>Computer Skills</i></li> </ul>                                     | <i>34 Months</i>                                     | <i>Female African</i> |

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|                                |             |                                                                                                                                                                  |                                                                                                                                    |           |                |
|--------------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------|
|                                |             | <ul style="list-style-type: none"> <li>• Previous office administrative experience</li> </ul>                                                                    |                                                                                                                                    |           |                |
| IDP Coordinator                | T Mukwevho  | <ul style="list-style-type: none"> <li>• NQF Level 5 or equivalent qualification in Development Planning</li> <li>• 2-3 years experience</li> </ul>              | <ul style="list-style-type: none"> <li>• B- Urban and Regional Planning</li> </ul>                                                 | 08 Months | Female African |
| LED Officer                    | Vacant      |                                                                                                                                                                  |                                                                                                                                    |           |                |
| Manager in Office of the Mayor | KN Mathivha | NQF Level 5 or equivalent qualification in communication                                                                                                         |                                                                                                                                    |           | Male African   |
| PA to the Mayor                | RM Legodi   | <ul style="list-style-type: none"> <li>• NQF Level 4 or equivalent qualification in Secretarial/Administrative fields</li> <li>• 2-3 years experience</li> </ul> | <ul style="list-style-type: none"> <li>• Diploma of Examiner Motor Vehicle</li> <li>• Customer Care</li> <li>• Computer</li> </ul> |           | Female African |
| Communication Officer          | LP Seshoka  | <ul style="list-style-type: none"> <li>• NQF Level 5 or equivalent qualification</li> <li>• extensive knowledge of communication legislations</li> </ul>         | <ul style="list-style-type: none"> <li>• BA Admin Vista Uni</li> </ul>                                                             |           | Male African   |
| Internal Audit Intern          |             |                                                                                                                                                                  |                                                                                                                                    |           |                |
| Intern Internal Auditor        | MA Mothema  | NQF Level                                                                                                                                                        | <ul style="list-style-type: none"> <li>• National Diploma Internal Auditing</li> </ul>                                             |           | Female African |
| LED Learnership                |             |                                                                                                                                                                  |                                                                                                                                    |           |                |
|                                | LB Sithole  |                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Certificate in Criminal Justice</li> </ul>                                                |           |                |
|                                | MD Maja     |                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• Diploma Marketing and Tourism</li> </ul>                                                  |           |                |

| DESIGNATION                    | OCCUPANT              | REQUIRED QUALIFICATION                                                                                                                                                                                                                                                                                                                                                   | CURRENT QUALIFICATION                                                                                                                                                                                                                                                                          | NUMBER OF YEAR EXPERIENCE IN LOCAL GOVERNMENT SECTOR | RACE AND GENDER                 |
|--------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------|
|                                |                       | •                                                                                                                                                                                                                                                                                                                                                                        | •                                                                                                                                                                                                                                                                                              | •                                                    |                                 |
| <b>Chief Financial Officer</b> | <b>D.A. Masengana</b> | <ul style="list-style-type: none"> <li>• <b>NQF 6 or equivalent qualification in Accounting/Finance</b></li> <li>• <b>Minimum of 3 years experience in Senior Managerial position, within the Finance filed, preferably in the LG environment.</b> (B.Com Degree or National Diploma in Accounting with 5(five) years experience at a senior management level</li> </ul> | <ul style="list-style-type: none"> <li>• <b>B Com degree in Accounting: UNINORTH</b></li> <li>• <b>Member of the Institute of Municipal Finance Officers {IMFO}</b></li> <li>• <b>Certificate in Executive Leadership in Municipal Governance programme- university of Pretoria</b></li> </ul> | <b>12</b>                                            | <b>Black South African Male</b> |
| Creditors Clerk                | Ferreira SM           | <ul style="list-style-type: none"> <li>• <b>NQF level 5 with accounting in subjects at Diploma level</b></li> </ul>                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                |                                                      | <b>F</b>                        |
| Accountant :Expenditure        | Maswanganye B.G       | <ul style="list-style-type: none"> <li>• <b>Bcom degree or national diploma in finance</b></li> <li>• <b>Experience of 3 years in financial management</b></li> </ul>                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                | <b>Diploma (Teaching)</b>                            |                                 |
| Payroll clerk                  | Ledwaba MG            | <ul style="list-style-type: none"> <li>• <b>Secondary education (NQ level 4)</b></li> <li>• <b>Computer literacy</b></li> <li>• <b>Minimum of 2 years experience in payroll administrative experience</b></li> </ul>                                                                                                                                                     | <b>Diploma in HRM</b>                                                                                                                                                                                                                                                                          | <b>1year</b>                                         | <b>F</b>                        |

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|                                             |               |                                                                                                                                                                 |                                                                                                                              |                                    |   |
|---------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---|
| Sub-accountant(assets and fleet management) | Vacant        | <ul style="list-style-type: none"> <li>NQF level 5 or equivalent qualification in finance.</li> <li>2 years experience</li> </ul>                               |                                                                                                                              |                                    |   |
| Control Expenditure                         | Mabotja MA    | <ul style="list-style-type: none"> <li>NQF level 5 with accounting in subjects at Diploma level</li> </ul>                                                      |                                                                                                                              | B.com (M)                          | F |
| SCM                                         | Gafane RJ     | <ul style="list-style-type: none"> <li>NQF level 5 or equivalent qualification in finance</li> <li>2-3 years of experience</li> </ul>                           | Tender and Quotation administration                                                                                          | National Diploma( Cost Management) | M |
| Admin Assistant                             | Chauke VH     | <ul style="list-style-type: none"> <li>NQF level 4 or equivalent qualification in administrative issues</li> <li>1-2 experience</li> </ul>                      | Administration                                                                                                               | Diploma                            | M |
| Stores                                      | Kgomosotho ME | <ul style="list-style-type: none"> <li>NQF level 4</li> <li>1 year relevant experience</li> </ul>                                                               | Store keeping                                                                                                                | Grade 12                           | F |
| Stores                                      | Mahlaula KP   |                                                                                                                                                                 | Store keeping                                                                                                                |                                    | M |
| Financial Systems Administrator             | Chauke TA     | <ul style="list-style-type: none"> <li>B.Com degree or national Diploma in accounting</li> </ul>                                                                | <ul style="list-style-type: none"> <li>Administering Financial System</li> <li>Management of the security of data</li> </ul> | Bsc (computer Science)             | M |
| Accountant : Income                         | Thubakgale DD | <ul style="list-style-type: none"> <li>B.com degree or national diploma in finance</li> <li>Experience of 3 years in financial management</li> </ul>            | Cashier cash up, queries, approving and capturing indigents                                                                  | Diploma                            |   |
| Senior Clerk Billing                        | Thloaela SN   | <ul style="list-style-type: none"> <li>Secondary education (NQF level 4)</li> <li>Computer literacy</li> <li>Relevant data administrative experience</li> </ul> | <ul style="list-style-type: none"> <li>Capturing and checking meter readings</li> <li>Issuing of accounts</li> </ul>         | Grade 12                           | M |

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|                               |              |                                                                                                                           |                                                                                                                                                                                    |          |   |
|-------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---|
| Senior Clerk: Debt Collection | Stevens A    | <ul style="list-style-type: none"> <li>NQF level 4 with experience in the revenue management</li> </ul>                   | <ul style="list-style-type: none"> <li>Management of unpaid bills</li> <li>Ensure disconnecting and handing over to debt collectors</li> <li>Management of debtors data</li> </ul> | Grade 12 | M |
| Cashier Naboomspspruit        | Mamabolo VD  | <ul style="list-style-type: none"> <li>NQF level 4 or equivalent qualifications</li> <li>2 years of experience</li> </ul> | Cash up, cashier duties                                                                                                                                                            | Grade 12 | F |
| Cashier Roedtan               |              | <ul style="list-style-type: none"> <li>NQF level 4 or equivalent qualifications</li> <li>2 years of experience</li> </ul> |                                                                                                                                                                                    |          |   |
| Cashier Naboomspspruit        | Maluleke LR  | <ul style="list-style-type: none"> <li>NQF level 4 or equivalent qualifications</li> <li>2 years of experience</li> </ul> | Cash up, cashier duties                                                                                                                                                            |          |   |
| Meter reader                  | Thubakgale w | <ul style="list-style-type: none"> <li>NQF level 4</li> </ul>                                                             | Meter Reading                                                                                                                                                                      |          | M |
| Meter reader                  | Kgabo Z      | <ul style="list-style-type: none"> <li>NQF level 4</li> </ul>                                                             | Meter Reading                                                                                                                                                                      |          | M |
| Meter reader                  | Teffo s      | <ul style="list-style-type: none"> <li>NQF level 4</li> </ul>                                                             | Meter Reading                                                                                                                                                                      |          | M |
| Meter reader                  | Nkuna D      | <ul style="list-style-type: none"> <li>NQF level 4</li> </ul>                                                             | Meter Reading                                                                                                                                                                      |          | M |
| Meter reader                  | Monama       | <ul style="list-style-type: none"> <li>NQF level 4</li> </ul>                                                             | Meter Reading                                                                                                                                                                      |          | M |
| <b>INTERNS</b>                |              |                                                                                                                           |                                                                                                                                                                                    |          |   |
| Interns                       | Mamabolo MR  | <ul style="list-style-type: none"> <li>BCom degree or national Diploma in accounting</li> </ul>                           | Finance Intern                                                                                                                                                                     | B.com(m) | F |

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|                |                     |                                                                                                        |                       |                   |          |
|----------------|---------------------|--------------------------------------------------------------------------------------------------------|-----------------------|-------------------|----------|
| <i>Interns</i> | <i>Boshomane MW</i> | <ul style="list-style-type: none"> <li><i>BCom degree or national Diploma in accounting</i></li> </ul> | <i>Finance Intern</i> | <i>Bcom(econ)</i> |          |
| <i>Interns</i> | <i>Makalla J</i>    | <ul style="list-style-type: none"> <li><i>BCom degree or national Diploma in accounting</i></li> </ul> | <i>Finance Intern</i> |                   |          |
| <i>Interns</i> | <i>Mabaso RC</i>    | <ul style="list-style-type: none"> <li><i>BCom degree or national Diploma in accounting</i></li> </ul> | <i>Finance Intern</i> | <i>B.com Law</i>  | <i>F</i> |
| <i>Interns</i> |                     | <ul style="list-style-type: none"> <li></li> </ul>                                                     |                       |                   |          |

| DESIGNATION                      | OCCUPANT    | REQUIRED QUALIFICATION                                                                                                                                        | CURRENT QUALIFICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | NUMBER OF YEAR<br>EXPERINCE IN LOCAL<br>GOVERNMENT SECTOR                                                                                                                                 | RACE AMD<br>GENDER       |
|----------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Manager<br>Corporate<br>Services | S.K. Matjiu | <ul style="list-style-type: none"> <li>NQF 6 or other equivalent qualifications</li> <li>Relevant experience gained at Strategic management level.</li> </ul> | <ul style="list-style-type: none"> <li>Teachers Diploma(<b>Mokopane College of Education</b>) 1991</li> <li>Diploma Personnel &amp; Training Management(<b>Damelin</b>)1996</li> <li>Municipal Accreditation Course(<b>University of Venda</b>)2002</li> <li>Housing Needs Analysis Course(<b>Centre for Development Programmes, University of the Free State</b>)2003</li> <li>TASK job Evaluation Course(<b>Deloitte &amp; Touch</b>)2003</li> <li>Fundamental of Microsoft Office 2000(<b>Damelin</b>)2005</li> <li>Qualified Skills Development Facilitator(<b>ETDP SETA Number-426</b>)2008</li> <li>Executive Leadership Municipal Development Programme(<b>University of Pretoria</b>)2008</li> </ul> | <p>13 years:</p> <ul style="list-style-type: none"> <li>8yrs as Senior Admin Officer</li> <li>3yrs as HR Officer</li> <li>1y7m Manager Corporate Services (Section 57 Manager)</li> </ul> | Black South African Male |

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|                                       |                   |                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                   |                           |                                   |
|---------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|
| <b>Divisional Head Administration</b> | <b>RM Rampedi</b> | <i>Applicants must be in possession of NQF level 5 or equivalent qualification in Public Administration plus two to three years relevant administrative experience</i> | <ul style="list-style-type: none"> <li>• <b>STD(Mokopane College of Education 1988)</b></li> <li>• <b>HED (Vista University 1995)</b></li> <li>• <b>B.ED Hons(University of Limpopo 2004)</b></li> <li>• <b>Assessor Course(TEMBE Service Provider 2007)</b></li> <li>• <b>Computer Literacy (Mokopane Multipurpose Centere 2004)</b></li> </ul>  | <i>1 year experience</i>  | <i>Black South African Female</i> |
| <b>Humana Resources Officer</b>       | <b>RS Maja</b>    | <i>A relevant tertiary qualification. (NQF Level 5) computer literacy-MS office applications. Relevant generalist experience in Human Resources (2-3 years).</i>       | <ul style="list-style-type: none"> <li>• <b>Grade 12 (Makhutjisha)</b></li> <li>• <b>Diploma in Office Admin(Damelin 1997)</b></li> <li>• <b>Certificate in Computer(Damelin 2009)</b></li> <li>• <b>IT learnership (Turfloop Training 2008)</b></li> <li>• <b>Qualified Skills Development Facilitator(ETDP SETA Number-426 )2008</b></li> </ul> | <i>7 year experience</i>  | <i>Black South African Female</i> |
| <b>ICT Officer</b>                    | <b>T.Phosa</b>    | <i>Applicants must be in possession of NQF level 5 or equivalent qualification in IT fields and have 2-3 years experience</i>                                          | <ul style="list-style-type: none"> <li>• <b>Grade 12 (Makhutjisha)</b></li> <li>• <b>Customer Services 2006</b></li> <li>• <b>ND Chemical Engineering 2004</b></li> <li>• <b>Institute of Satellite and software application</b></li> <li>• <b>IT Learnership (Turfloop Training)</b></li> </ul>                                                  | <i>3 years experience</i> | <i>Black South African Male</i>   |

**TECHNICAL SERVICES:**

| DEPARTMENT AND UNIT | DESIGNATION        | INCUBENT     | REQUIRED QUALIFICATIONS                                | AQUIRED QUALIFICATIONS  |
|---------------------|--------------------|--------------|--------------------------------------------------------|-------------------------|
|                     |                    |              |                                                        |                         |
|                     |                    |              |                                                        |                         |
| <b>Electricity</b>  | Chief Electrician  | C Ngwetjana  | NQF 5 /Diploma in Electrician/Equivalent qualification | Electrician Diploma     |
|                     | Senior Electrician | W Smith      |                                                        | Electrician certificate |
|                     | Electrician        | W Magana     |                                                        | Electrician Diploma     |
|                     | Electrician        | M Mogashoa   |                                                        | Electrician Diploma     |
|                     | Electrician        | P Chauke     |                                                        | Electrician Diploma     |
|                     | Electrician        | F Mautla     |                                                        | Electrician certificate |
|                     | Electrician        | P M arakalla |                                                        | Electrician certificate |
|                     | Electrician        | F Masemene   |                                                        | Electrician certificate |
|                     | Ass Electrician    | M Lebelo     |                                                        | Electrician certificate |
|                     | Labourers          | 20           |                                                        | ABET                    |
| <b>WATER</b>        | Supervisor         | S Shapo      |                                                        |                         |
|                     | Driver             | P Molautsi   |                                                        |                         |
|                     | Plumber            | A Thindisa   |                                                        |                         |
|                     | Plumber            | CM Maila     |                                                        |                         |
|                     | Plumber            | LP Rammutla  |                                                        |                         |
|                     | Plumber            | PC Seroto    |                                                        |                         |
|                     | Plumber            | S Kgosana    |                                                        |                         |
|                     | Plumber            | LS Molemola  |                                                        |                         |
|                     | Plumber            | CH Baloi     |                                                        |                         |
|                     | Plumber            | HJ Nkuna     |                                                        |                         |
|                     | Plumber            | MJ Mofokeng  |                                                        |                         |
|                     | Plumber            | TS Thulare   |                                                        |                         |

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|                             |                          |               |  |                                            |
|-----------------------------|--------------------------|---------------|--|--------------------------------------------|
| <b>SEWER</b>                | Super visor              | J S Kgabo     |  | Grade 12                                   |
|                             | TLB Operator             | MW Tlou       |  |                                            |
|                             | Plant Operator           | MS Mabala     |  | Grade 12                                   |
|                             | Driver                   | OS Sithole    |  | ABET                                       |
|                             | Labourers                | 12            |  |                                            |
| <b>ROADS</b>                | Supervisor               | B Steyn       |  |                                            |
|                             | Labourers                | 6             |  | ABET                                       |
|                             |                          |               |  |                                            |
| <b>SOCIAL AND COMMUNITY</b> | Divisional Head          | AJB Oppermann |  | Grade 12<br>Diploma in Traffic Management  |
|                             | Superintendent           | T Maila       |  | Grade 12<br>Diploma in Traffic in Officers |
|                             | Senior Licencing Officer | G Tsebe       |  | Grade 12<br>Diploma in Traffic Officers    |
|                             | Licencing Officer        | C Mahlaela    |  | Grade 12/Diploma in Traffic Officers       |
|                             | Traffic Officers         |               |  | Grade 12/Diploma in Traffic Officers       |
| <b>ADMINISTRATION</b>       | Trafman                  |               |  |                                            |
|                             | Clerk                    |               |  |                                            |
|                             | Operator                 |               |  |                                            |
| <b>WASTE MANAGEMENT</b>     | Superintendent           | L KHWINANA    |  |                                            |
|                             | Supervisor               |               |  |                                            |
|                             | Labourers                |               |  |                                            |
|                             | Drivers                  |               |  |                                            |
| <b>PARKS</b>                | Supervisor               |               |  |                                            |
|                             | Driver                   |               |  |                                            |
|                             | Labourers                |               |  |                                            |

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|                 |            |  |  |  |
|-----------------|------------|--|--|--|
| <b>CEMETERY</b> | Supervisor |  |  |  |
|                 | Labourers  |  |  |  |
|                 | Supervisor |  |  |  |
|                 | Labourers  |  |  |  |

## CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

SEE ANNEXURE DOR RHE AFS.

### Quarterly information on grants for 2008/2009

| GRANT DETAILS | AMOUNT RECEIVED AND SPENT EACH QUARTER |     |                             |           |                           |           |                             |         |                              |           |             |            |
|---------------|----------------------------------------|-----|-----------------------------|-----------|---------------------------|-----------|-----------------------------|---------|------------------------------|-----------|-------------|------------|
|               | 1 April 2008<br>30 June 2008           |     | 1 July 2008<br>30 Sept 2008 |           | 1 Oct 2008<br>31 Dec 2008 |           | 1 Jan 2009<br>31 March 2009 |         | 1 April 2009<br>30 June 2009 |           | Total Rand  |            |
|               | Received                               | Exp | Received                    | Exp       | Received                  | Exp       | Rec.                        | Exp     | Rec.                         | Exp       | Received    | Exp        |
| MIG           | 1615 000                               |     | 1615                        | 786 192   | 1 615 000                 | 1 795 469 | 1650 000                    | 401 889 | 6,700 ,000                   | 3 716 450 | 6700 000    | 6700 000   |
| MSIG          |                                        |     | 735 000                     | 244 000   |                           | 244 000   |                             | 244 000 | 735,0 00                     | 45 759    | 735 000     | 735 000    |
| FMG           |                                        |     | 1000 000                    | 185 000   |                           | 185 000   |                             | 185 000 | 1,000 ,000                   | 445,25 2  | 1000 000    | 1 000 000  |
| EQUIT SHARE   |                                        |     | 3 651 670                   | 3 657 000 | 2 738 753                 | 3 657 000 | 5 050 166                   | -       | -                            | 4 126 589 | 11 44 0 589 | 11 440 589 |

## CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

### 5.1 CORPORATE SERVICES:

This department constitute elements of providing support to all other departments in terms of:

- Administration
- HR
- ICT
- Council Secretariat
- Legal

| <b>Function:</b> <i>Corporate Services</i> |                                                                                                                       |                               |                           |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Sub Function:</b> <i>N/A</i>            |                                                                                                                       |                               |                           |
| <b>Reporting Level</b>                     | <b>Detail</b>                                                                                                         | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
| <b>Overview:</b>                           | <i>Includes all activities relating to the Corporate Services function of the municipality including cost.</i>        |                               | 1662                      |
| <b>Description of the Activity:</b>        | List administration of each function here: this should detail what is offered, and how it is offered to the community |                               |                           |

|                                                      |                                                    |  |  |
|------------------------------------------------------|----------------------------------------------------|--|--|
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |
|                                                      | The key issues for 2008/09 are:                    |  |  |
|                                                      |                                                    |  |  |
| Analysis of the Function:<br><br>1<br><br>2<br><br>3 | Provide statistical information on (as a minimum): |  |  |
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |
|                                                      |                                                    |  |  |

## 5.2 TECHNICAL SERVICES

The Municipality had a capital budget of R 41 539 708 as compared to R24, 454,358 in 2007/08. Approximately R24 million of the capital Infrastructure budget was allocated to the Technical Services Department to address infrastructure investments; and elimination of service delivery and maintenance backlog.

The other portion of the capital expenditure was allocated to other departments for projects or services as shown in the tables below. The capital expenditure (capex) budget rolled over from the previous financial year was R10 783 000 including R1.5M from MIG allocated for upgrading of storm water. A number of initiatives to address the unacceptably low rate of capital expenditure have been undertaken. These include:

- Alignment of organizational structure and institutions with the IDP
- Improving on the supply chain management committees and secretariat

**Table 5.1**, The Capital Expenditure for 2008/2009 was financed as shown below inclusive of the rolled over funds.

| SOURCES OF FUNDING                           | EXPENDITURE INCLUDING ROLLOVERS |
|----------------------------------------------|---------------------------------|
| Operating Income                             | R 5,742,358                     |
| Municipal Infrastructure Grant (MIG)         | R 10,318,216                    |
| Municipal Support Improvements System (MSIG) | R 16,500                        |
| Financial Management Grant (FMG)             | R 169,152                       |
| WDM                                          | R 186,191                       |
| Drought Relief                               | R 417,074                       |
| <b>Total</b>                                 | <b>R 16,849,492</b>             |

**Source**, Municipality Budget and Treasury 2008/2009

**Table 5,** Budget spent on the services for 2008/2009

| SERVICE                                   | BUDGET (RAND)     | SPENT (RAND)      | % SPENT   |
|-------------------------------------------|-------------------|-------------------|-----------|
| Water                                     | 5,722,000         | 3,062,340         | 54        |
| Electricity                               | 1,700,000         | 454,678           | 27        |
| Storm water and interlocking block paving | 9,419,708         | 6,806,668         | 73        |
| Sewer Reticulation                        | 4,000,000         | 588,547           | 15        |
| Extension of Bulk sewer line              | 850,000           | 57,657            | 7         |
| Upgrading of sports facilities            | 600,000           | 172,584           | 92        |
| Extension of civic centre                 | 8,632,000         | 2,472,027         | 29        |
| Palisade fencing                          | 400,000           | 365,583           | 92        |
| Development of parks                      | 200,000           | 191,749           | 96        |
| Upgrading Roedtan parking                 | 500,000           | 466,558           | 94        |
| Taxi rank                                 | 1,683,000         | 1,203,550         | 72        |
| Development of waste management           | 2,170,000         | 112,000           | 6         |
| Office furniture & Equipment              | 839,000           | 608,070           | 73        |
| Plant Equipment                           | 316,000           | 115,482           | 37        |
| Vehicles                                  | 300,000           | 172,000           | 58        |
| <b>Total</b>                              | <b>37,331,708</b> | <b>16,849,492</b> | <b>46</b> |

**Source,** Municipality Budget and Treasury, 2008/2009

## KPA 2 INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY:

**FUNCTION: ELECTRICITY DIVISION**

**SUB FUNCTIONS: ELECTRICITY DISTRIBUTION**

**OVERVIEW:**

The bulk planning, purchase, distribution, provision, construction and maintenance of electrical network.

**DESCRIPTION OF THE ACTIVITY:**

The Electrical Division provides the services relating to electrical infrastructure. The municipality distribution area extends as per the NER license. The distribution area does not correspond with the municipal jurisdiction area. Mookgophong Local Municipality has a mandate to service certain areas within its area of jurisdiction. ESKOM is the distributor for the Mookgophong urban area and the majority of the farming area.

The strategic objectives of the Electricity Division are to:

- Plan for and provide for electrical infrastructure to support and facilitate economic growth and to promote social development.
- Maintain electrical infrastructure and keep it serviceable
- Provide the management and support services needed

The following were the key issues for 2008/9 financial year:

- The effective implementation of the capital programme consisting of the following major projects:
  - o High mast lights
  - o House connection to RDP houses
 This was intended to ensure the following:
  - Equity in service delivery
  - The development and support of emerging contractors

The training and empowerment of community members to increase and improve on the skills base.

|                      |                                 |
|----------------------|---------------------------------|
| <b>FUNCTION:</b>     | <b>ELECTRICITY</b>              |
| <b>SUB FUNCTION:</b> | <b>ELECTRICITY DISTRIBUTION</b> |

| <b>REPORTING LEVEL</b> | <b>DETAIL</b> | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
|------------------------|---------------|-------------------------------|---------------------------|
|                        |               |                               |                           |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |  |
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| OVERVIEW:                    | <p>Includes the bulk purchase, distribution, planning, provision, construction and maintenance of the electrical network.</p> <p>6 high mast lights in all wards to prevent crime</p> <p>827 House connection in Ward 4</p> <p>A plan concluded for 800 house connection in Ward 1</p> <p>52 000 000 units purchased from ESKOM to service areas that we are licensed to service</p> <p>44 774 399 MWH units were sold to consumers in our area of jurisdiction</p> <p>346 000 units were purchased for the indigents</p> <p>30 transformers were replaced due to theft</p> <p>30 transformers were replaced due to age</p>                                                                                                                                                                                                                                                                                                                                                                                | 2 |  |
| DESCRIPTION OF THE ACTIVITY: | <p><i>The electricity purchase and distribution functions of the municipality are administered as follows and include:</i></p> <p><i>The municipality distribution area extends as per the NER license.</i></p> <p><i>These services extend to include areas outside the municipal area, but do not take account of certain rural areas and Mookgophong Township and extensions which resides within the jurisdiction of Eskom. The municipality has a mandate to:</i></p> <p><i>ESKOM is the distributor for the Mookgophong Township and extensions and the majority of the rural area.</i></p> <p><i>The strategic objectives of this function are to:</i></p> <p><i>Plan for and provide for electrical infrastructure to support and facilitate economic growth and to promote social development.</i></p> <ul style="list-style-type: none"> <li><i>• Maintain electrical infrastructure and keep it serviceable</i></li> <li><i>• Provide the management and support services needed</i></li> </ul> |   |  |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                        |                                                                                      |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
|                           | <p>The key issues for 2008/09 are:</p> <p>The effective implementation of the capital programme consisting of the following major projects:</p> <p>Upgrading electrical reticulation networks</p> <ul style="list-style-type: none"> <li>• Equity in service delivery</li> <li>• The development and support of emerging contractors</li> <li>• The training and empowerment of staff to improve skills.</li> </ul>                                                                                                      |                                                                        |                                                                                      |
| ANALYSIS OF THE FUNCTION: | <Provide statistical information on (as a minimum):>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                        |                                                                                      |
| 1                         | <p>Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> <li>- Professional (Engineers/Consultants)</li> <li>- Field (Supervisors/Foremen)</li> <li>- Office (Clerical/Administration)</li> <li>- Non-professional (blue collar, outside workforce)</li> <li>- Temporary</li> <li>- Contract</li> </ul> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p> | <p>1</p> <p>4</p> <p>nil</p> <p>9</p> <p>nil</p> <p>nil</p> <p>14</p>  | <p>R (000s)</p> <p>350</p> <p>400</p> <p>888</p> <p>Nil</p> <p>Nil</p> <p>1 638</p>  |
| 3                         | <p>Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> <li>- Household</li> <li>- Commercial</li> <li>- Industrial</li> <li>- Mining</li> <li>- Agriculture</li> <li>- General</li> </ul>                                                                                                                                                                                                                                 | <p>13221</p> <p>4910</p> <p>11735</p> <p>nil</p> <p>5128</p> <p>32</p> | <p>R (000s)</p> <p>4324</p> <p>2027</p> <p>4846</p> <p>Nil</p> <p>2078</p> <p>33</p> |

**MOOKGOPHONG LM – 2008/2009 CIRCULAR 11 ALIGNED ANNUAL REPORT**

|                            |                                                                                    |                       |                        |
|----------------------------|------------------------------------------------------------------------------------|-----------------------|------------------------|
| 4                          | - Own use                                                                          | 1970                  | 788                    |
|                            | Total year-to-date electricity losses in kilowatt hours and rand                   |                       | R (000s)               |
|                            | <detail total> <sup>1</sup>                                                        | 501 675<br>units      | <cost>                 |
| 5                          | Number of households with electricity access, and type and cost of service:        |                       | R (000s)               |
| <b>REPORTING<br/>LEVEL</b> | <b>Detail</b>                                                                      | <b>Total</b>          | <b>Cost</b>            |
|                            | - Electrified areas                                                                |                       |                        |
|                            | - Municipal                                                                        | 2250                  | Not available          |
|                            | - Eskom <sup>2</sup>                                                               | <total>               |                        |
|                            | - Alternate energy source                                                          |                       |                        |
|                            | - Gas                                                                              | Info not<br>available |                        |
|                            | - Paraffin                                                                         | Info not<br>available |                        |
|                            | - Solar                                                                            | Info not<br>available |                        |
|                            | - Wood                                                                             | Info not<br>available |                        |
|                            | - Non electrified                                                                  | Info not<br>available |                        |
|                            | Note: if other types of services are available, please provide details             |                       |                        |
| 6                          | Number and cost of new connections:                                                | 31                    | R (000s)<br>229 660.94 |
| 7                          | Number and cost of disconnections and reconnections<br><detail total> <sup>3</sup> |                       | R (000s)               |
| 8                          | Number and total value of electrification projects planned and current:            |                       | R (000s)               |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                  |                        |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------------|
| 4  | - Current (financial year after year reported on)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 827              | 8000                   |
|    | - Planned (future years)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 800              | 8000                   |
|    | Note: provide total project and project value as per initial or revised budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2                | 16 000                 |
| 9  | <sup>5</sup> Anticipated expansion of electricity service:<br><br><detail total><br><br>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1000             | R (000s)<br><br>12 000 |
| 10 | Estimated backlog in number (and cost to provide) electricity connection:<br><br><detail total><br><br>Note: total number should appear in IDP, and cost in future budgeted capital housing programmes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1000<br><br>1647 | 13 000<br><br>16000    |
| 11 | Free Basic Service Provision:<br><br>- Quantity (number of households affected)<br><br>- Quantum (value to each household) <sup>6</sup><br><br>Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.<br><br>The Council has the approved indigent policy, and it is in place whereby an amount of indigent subsidy of an amount of R210,00 is given per household. The income per household to qualify for the indigent subsidy should not be more than R2100,00 per month per household. The level of free basic services provided are free basic electricity is which 50 units per indigent household per month | 3350             | 5000                   |
| 12 | Type and number of grants and subsidies received:<br><br>Equitable share for free basic electricity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                  | R 11440                |

|                                              |                                                                                                                                                                                                        |                |               |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
| 13                                           | Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. |                |               |
|                                              | Total operating cost of electricity distribution function                                                                                                                                              |                | 18 225        |
| <b>KEY PERFORMANCE AREA</b>                  | <b>Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance</b>                                                                                       | <b>Current</b> | <b>Target</b> |
| PROVISION OF UPGRADING OF ELECTRICITY        | Number of projects planned                                                                                                                                                                             | 2              | R(000s)<br>4  |
|                                              | Number of projects implemented                                                                                                                                                                         | 2              |               |
|                                              | 100% Implementation                                                                                                                                                                                    | 100%           |               |
|                                              | >50% Implementation                                                                                                                                                                                    | >55%           |               |
|                                              | The performance of this project was completed within the target periods.                                                                                                                               | 0              |               |
| SUPPLY SUBSIDY LINK HOUSING WITH ELECTRICITY | Number of houses allocated to developers by Department of Local Government and Housing:                                                                                                                | 00             | 00            |
|                                              | Electrification in extension 4 have not been done and it is planned                                                                                                                                    | 0              | 0             |
| MAINTENANCE OF ELECTRICITY NETWORKS          | Number of electricity problems addressed by Electricity Division <sup>7</sup>                                                                                                                          |                |               |
|                                              | Number of problems addressed within:                                                                                                                                                                   | 9              |               |
|                                              | • 24 hours                                                                                                                                                                                             | 15             |               |
|                                              | • 48 hours                                                                                                                                                                                             | 25             |               |
|                                              | • 72 hours                                                                                                                                                                                             |                |               |
|                                              | The performance of the maintenance team is constantly monitored for better service provision.                                                                                                          |                |               |

|                      |                        |
|----------------------|------------------------|
| <b>Function:</b>     | <b>Electricity</b>     |
| <b>Sub Function:</b> | <b>Street Lighting</b> |

| <b>Reporting Level</b>              | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Overview:</b>                    | <i>Includes all activities associated with the provision of street lighting to the community</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                           |
| <b>Description of the Activity:</b> | <p><i>Street lighting responsibilities of the municipality are administered as follows and include:</i></p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p><i>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt; government. The municipality has a mandate to:</i></p> <p>Maintenance and streetlights within Mookgophong Local Municipality</p> <p><i>The strategic objectives of this function are to:</i></p> <p>Maintenance and streetlights</p> <p><i>The key issues for 2008/09 are:</i></p> <p>Maintenance and streetlights</p> |                               |                           |
| <b>Analysis of the Function:</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                               |                           |
| <b>1</b>                            | <i>Number and total operating cost of streetlights servicing population:</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 927                           | 154                       |

|   |                                                                                      |           |     |
|---|--------------------------------------------------------------------------------------|-----------|-----|
| 2 |                                                                                      |           | 154 |
|   | <i>Note: total streetlights should be available from municipal inventory</i>         |           |     |
|   | <i>Total bulk kilowatt hours consumed for streetlighting:</i>                        | 130 060   |     |
|   | <complete>                                                                           |           |     |
|   | <i>Note: total number of kilowatt hours consumed by all street lighting for year</i> | 2 093 972 |     |

|                                                        |                                                                                                                                                                                                                                                                                                                                                          |                               |                           |
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| <b>FUNCTION: PUBLIC WORKS</b>                          |                                                                                                                                                                                                                                                                                                                                                          |                               |                           |
| <b>SUB FUNCTION: WASTE WATER MANAGEMENT (SEWERAGE)</b> |                                                                                                                                                                                                                                                                                                                                                          |                               |                           |
| <b>REPORTING LEVEL</b>                                 | <b>DETAIL</b>                                                                                                                                                                                                                                                                                                                                            | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
| <b>OVERVIEW:</b>                                       | <i>Includes provision of sewerage services including infrastructure and water purification and also includes toilet facilities</i>                                                                                                                                                                                                                       |                               |                           |
| <b>DESCRIPTION OF THE ACTIVITY:</b>                    | <p><i>The sewerage functions of the municipality are administered as follows and include:</i></p> <p><i>Waterborne sewage system serving Mookgophong and Naboomspruit.</i></p> <p><i>A second waterborne system is in place in Roedtan and Thusang.</i></p> <p><i>Households not connected to the system make use of non-ventilated pit latrines</i></p> |                               |                           |
|                                                        | <i>One works Mookgophong in which can handle 3 Ml<sup>8</sup> per day</i>                                                                                                                                                                                                                                                                                |                               |                           |

|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                        |                                                                                            |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
|                           | <p><i>The strategic objectives of the Sewage Division are to:</i></p> <ul style="list-style-type: none"> <li>• <i>Plan for and provide for sewage infrastructure to support and facilitate economic growth and to promote social development.</i></li> <li>• <i>Keep sewage infrastructure maintainable and serviceable</i></li> <li>• <i>Provide the management and support services needed</i></li> </ul> <p><i>The key issues for 2008/09 are:</i></p> <ul style="list-style-type: none"> <li>• <i>The effective implementation of the capital programme consisting of the new sewage purification works phase 2.</i></li> <li>• <i>Equity in service delivery</i></li> <li>• <i>The development and support of emerging contractors</i></li> <li>• <i>The training and empowerment of staff to improve skills.</i></li> </ul> |                                                                        |                                                                                            |
| ANALYSIS OF THE FUNCTION: |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                        |                                                                                            |
| 1                         | <p><i>Number and cost to employer of all personnel associated with sewerage functions:</i></p> <ul style="list-style-type: none"> <li>- <i>Professional (Engineers/Consultants)</i></li> <li>- <i>Field (Supervisors/Foremen)</i></li> <li>- <i>Office (Clerical/Administration)</i></li> <li>- <i>Non-professional (blue collar, outside workforce)</i></li> <li>- <i>Temporary</i></li> <li>- <i>Contract</i></li> </ul> <p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</i></p>                                                                                                                                                                                                                                                                      | <p>0</p> <p>1</p> <p>nil</p> <p>15</p> <p>nil</p> <p>nil</p> <p>18</p> | <p>R (000s)</p> <p>Not available</p> <p>Not available</p> <p>Not available</p> <p>1270</p> |
| 2                         | <p><i>Number of households with sewerage services, and type and cost of service:</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                        | <p>R (000s)</p>                                                                            |

|                 |                                                                                                                                  |               |                    |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------|
| 3               | - Flush toilet (connected to sewerage system)                                                                                    | 4621          | Not available      |
|                 | - Flush toilet (with septic tank)                                                                                                | 217           | Not available      |
|                 | - Chemical toilet                                                                                                                | nil           |                    |
|                 | - Pit latrine with ventilation                                                                                                   | nil           |                    |
|                 | - Pit latrine without ventilation                                                                                                | 1166          | Not available      |
|                 | - Bucket latrine                                                                                                                 | nil           |                    |
|                 | - No toilet provision                                                                                                            | 1127          | Not available      |
|                 | Anticipated expansion of sewerage:                                                                                               |               | R (000s)           |
|                 | - Flush/chemical toilet                                                                                                          | 1127 HH       | 2 400              |
|                 | - Pit latrine                                                                                                                    | nil           |                    |
| 4               | - Bucket latrine                                                                                                                 | nil           |                    |
|                 | - No toilet provision                                                                                                            | nil           |                    |
|                 | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality |               |                    |
| 4               | Free Basic Service Provision:                                                                                                    |               |                    |
|                 | - Quantity (number of households affected)                                                                                       | 1038          |                    |
|                 | - Quantum (value to each household)                                                                                              | None          |                    |
| REPORTING LEVEL | Detail                                                                                                                           | Total         | Cost               |
| 5               | No policy in place                                                                                                               |               |                    |
|                 | Total operating cost of sewerage function                                                                                        |               | 3 732              |
|                 |                                                                                                                                  |               |                    |
| KEY PERFORMANCE | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance                        | No of Current | Value /Expenditure |

| AREA                                                        |                                                                                                                                                                                                                                                                                   | projects |     |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----|
| SUPPLY SUBSIDY<br>LINK HOUSING<br>WITH WATER<br>BORN SEWAGE | Number of houses allocated to developers by Department of Local Government and Housing:                                                                                                                                                                                           |          |     |
|                                                             | <ul style="list-style-type: none"> <li>Mookgophong X4</li> </ul> <p>The developers appointed by the Department failed to perform and no toilets were supplied.</p> <p>The Municipality is negotiating with the Department to convert the housing allocations to PHP projects.</p> | 0        | 800 |
| MAINTENANCE OF<br>SEWAGE<br>NETWORKS                        | Number of sewage blockages and problems addressed by Sewage Division                                                                                                                                                                                                              |          | 234 |
|                                                             | Number of sewage blockages and problems addressed within:                                                                                                                                                                                                                         |          |     |
|                                                             | <ul style="list-style-type: none"> <li>24 hours</li> </ul>                                                                                                                                                                                                                        | 83%      |     |
|                                                             | <ul style="list-style-type: none"> <li>48 hours</li> </ul>                                                                                                                                                                                                                        | 12%      |     |
|                                                             | <ul style="list-style-type: none"> <li>72 hours</li> </ul> <p>The performance of the maintenance team is constantly monitored for better service provision.</p>                                                                                                                   | 5%       |     |

### 5.3 LOCAL ECONOMIC DEVELOPMENT AND JOB CREATION

An LED Unit was established through grant received from the Department of Local Government and Housing's LED Fund, funded by the European Union. Institutional capacity to establish and implement LED programmes was intensified by recruiting four LED learners who may be employed on a permanent basis in the future. As part of the support to small scale farmers, including those to whom municipal properties have been rented to, a partnership with the Department of Agriculture has been established. At present resources to intensify enterprise support to local communities and promotion of local procurement are also being secured.

The Municipality continues to ensure that all capital projects undertaken within the Municipal area promote job creation and poverty alleviation.

The Municipality has identified a need to develop a Spatial Development Framework to incorporate economic development analysis, land-use policies and spatial representation of

local economic development vision. Support has been solicited from DLG & H, and the process is on, to develop the SDF.

The Municipality also ensured that similar job creation opportunities as created on public work project undertaken by other spheres of governance including public institutions. Due to the early development of the LED Unit the Municipality is not yet in a position to can track economic opportunities and investments taking place in the Municipality and is also not in a position to can track job creation and the status of the labour market.

#### 5.4 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT:

The Valuation Roll in line with the new Municipal Property Rates Act of 1994, was compiled and popularises with the community and stakeholders, and was approved.

The Asset Register System was acquired, in order to comply with GAMAP 17. All movable assets were identified and bar-coded. The assets are now timeously reconciled with the ledger.

The Council has a Credit Control and Debt Collection policy, however due to vacancies and need for capacity building for staff in the Income Section, consumer debtors are growing.

#### 5.5 RE-ORIENTATING THE ORGANISATION TOWARDS SERVICE DELIVERY:

The Municipality identified a need to review the existing by-laws, policies and procedures in order to realise the IDP objectives outlined above and enhance service delivery. The bylaws, policies and procedure review and development process could not be achieved due to limited institutional capacity. The process was also delayed due to the offer made by the Department of Local Government and Housing to assist in this matter. As a result, only budget and treasury policies were reviewed as part of the budget adoption process. These policies include credit control and debt collection, indigent, investment asset management and supply chain management policies.

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Function:</b>     | <b>Community and Social Services</b> |
| <b>Sub Function:</b> | <b>All inclusive</b>                 |

| <b>Reporting Level</b> | <b>Detail</b> | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
|------------------------|---------------|-------------------------------|---------------------------|
|------------------------|---------------|-------------------------------|---------------------------|

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                                                      |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Overview:                    | Includes all activities associated with the provision of community and social services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |                                                                                                      |
| Description of the Activity: | <p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p>&lt;List administration of each function here: this should detail what is offered, and how it is offered to the community&gt;</p> <p>These services extend to include &lt;function/area&gt;, but do not take account of &lt;function/area&gt; which resides within the jurisdiction of &lt;national/provincial/other private sector&gt;government. The municipality has a mandate to:</p> <p>The strategic objectives of this function are to:</p> <p>The key issues for 2008/09 are:</p> |                                                                     |                                                                                                      |
| Analysis of the Function:    | <Provide statistical information on (as a minimum) :>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                     |                                                                                                      |
| 1                            | <p>Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> <li>- Library services</li> <li>- Museums and art galleries</li> <li>- Other community halls/facilities</li> <li>- Cemeteries and crematoriums</li> <li>- Child care (including crèches etc)</li> </ul>                                                                                                                                                                                                                                                                                                                                             | <p>no of facilities:</p> <p>2</p> <p>&lt;&gt;</p> <p>2</p> <p>1</p> | <p>no of users:</p> <p>52046</p> <p>&lt;number&gt;</p> <p>9922</p> <p>9922</p> <p>&lt;number&gt;</p> |

|   |                                                                                                                     |          |          |
|---|---------------------------------------------------------------------------------------------------------------------|----------|----------|
|   | - Aged care (including aged homes, home help)                                                                       | <number> | <number> |
|   | - Schools                                                                                                           | 16       |          |
|   | - Sporting facilities (specify)                                                                                     | 3        | 9922     |
|   | - Parks                                                                                                             | 4        | <number> |
|   | Note: the facilities figure should agree with the assets register                                                   |          |          |
| 2 | Number and cost to employer of all personnel associated with each community services function:                      |          | R(000s)  |
|   | - Library services                                                                                                  | 3        |          |
|   | - Museums and art galleries                                                                                         | 1        |          |
|   | - Other community halls/facilities                                                                                  | 0        |          |
|   | - Cemeteries and crematoriums                                                                                       | 1        |          |
|   | - Child care                                                                                                        | 8        |          |
|   | - Aged care                                                                                                         | 1        |          |
|   | - Schools                                                                                                           | 5895     |          |
|   | - Sporting facilities                                                                                               | 3        |          |
|   | - Parks                                                                                                             | 4        |          |
|   | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package |          |          |
| 6 | Total operating cost of community and social services function                                                      |          | R (000s) |

|                        |                                                         |  |                               |                           |
|------------------------|---------------------------------------------------------|--|-------------------------------|---------------------------|
| <b>Function:</b>       | <b>Public Safety</b>                                    |  |                               |                           |
| <b>Sub Function:</b>   | <b>Police (Traffic)</b>                                 |  |                               |                           |
| <b>Reporting Level</b> | <b>Detail</b>                                           |  | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
| <b>Overview:</b>       | Includes police force and traffic (and parking) control |  |                               |                           |

|                              |                                                                                                                                                                                                                                 |   |          |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------|
| Description of the Activity: | The policing and traffic control functions of the municipality are administered as follows and include:                                                                                                                         |   |          |
|                              | <List administration of each function here: this should detail what is offered, and how it is offered to the community>                                                                                                         |   |          |
|                              | These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to: |   |          |
|                              | <List here>                                                                                                                                                                                                                     |   |          |
|                              | The strategic objectives of this function are to:                                                                                                                                                                               |   |          |
|                              | <List here>                                                                                                                                                                                                                     |   |          |
|                              | The key issues for 200X/OY are:                                                                                                                                                                                                 |   |          |
|                              | <List here>                                                                                                                                                                                                                     |   |          |
| Analysis of the Function:    | <Provide statistical information on (as a minimum):>                                                                                                                                                                            |   |          |
|                              | 1 Number and cost to employer of all personnel associated with policing and traffic control:                                                                                                                                    |   | R (000s) |
|                              | - Professional (Senior Management)                                                                                                                                                                                              | 2 | R317     |
|                              | - Field (Detectives/Supervisors)                                                                                                                                                                                                | 3 |          |
|                              | - Office (Clerical/Administration)                                                                                                                                                                                              | 4 | R395     |
|                              | - Non-professional (visible police officers on the street)                                                                                                                                                                      | 0 | 0        |
|                              | - Volunteer                                                                                                                                                                                                                     | 0 | 0        |
|                              | - Temporary                                                                                                                                                                                                                     | 0 | 0        |
|                              | - Contract                                                                                                                                                                                                                      | 0 | 0        |
|                              | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes                          |   |          |

|   |                                                                                                                                                                                                          |           |     |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|
|   | aides                                                                                                                                                                                                    |           |     |
| 2 | Total number of call-outs attended:                                                                                                                                                                      |           |     |
|   | - Emergency call-outs                                                                                                                                                                                    | 96        |     |
|   | - Standard call-outs                                                                                                                                                                                     | 105       |     |
|   | Note: provide total number registered, based on call classification at municipality                                                                                                                      |           |     |
| 3 | Average response time to call-outs:                                                                                                                                                                      |           |     |
|   | - Emergency call-outs                                                                                                                                                                                    | 5 minutes |     |
|   | - Standard call-outs                                                                                                                                                                                     | 5 minutes |     |
|   | Note: provide average by dividing total response time by number of call-outs                                                                                                                             |           |     |
| 4 | Total number of targeted violations e.g.: traffic offences:                                                                                                                                              |           |     |
|   | <list details, including the number and type of offences recorded>                                                                                                                                       | 1020      |     |
| 5 | Total number and type of emergencies leading to a loss of life or disaster:                                                                                                                              |           |     |
|   | <list details, including the number and type of emergencies recorded>                                                                                                                                    | 6         |     |
| 6 | Type and number of grants and subsidies received:                                                                                                                                                        | 4         | R   |
|   | <b><u>TYPES OF GRANTS AND SUBSIDIES RECEIVED</u></b>                                                                                                                                                     |           |     |
|   | Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. |           |     |
| 7 | Total operating cost of police and traffic function                                                                                                                                                      |           | 470 |

|                      |                                      |
|----------------------|--------------------------------------|
| <b>Function:</b>     | <b>Social and Community Services</b> |
| <b>Sub Function:</b> | <b>Solid Waste</b>                   |

| <i>Reporting Level</i>              | <i>Detail</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <i>No of Current projects</i> | <i>Value /Expenditure</i> |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <i>Overview:</i>                    | <i>Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                           |
| <i>Description of the Activity:</i> | <p><i>The refuse collection functions of the municipality are administered as follows and include:</i></p> <p>Refuse removal, solid waste disposal and landfill site management and street cleaning</p> <p><i>These services extend to include Mookgophong, Roedtan and Thusang but do not take account of rural areas. The municipality has a mandate to:</i></p> <p>To provide services in terms of the Health Act; Environment Management Act</p> <p><i>The strategic objectives of this function are to:</i></p> <p>To prevent the spread of diseases; raise health and hygiene awareness and to protect the natural environment</p> <p><i>The key issues for 2008/09 are:</i></p> <p>Acquisition of own refuse removal disposal site as the existing site is on lease</p> <p>Establishment of a disaster disease outbreak committee</p> |                               |                           |
| <i>Analysis of the Function:</i>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                           |

|   |                                                                                                                     |                     |             |
|---|---------------------------------------------------------------------------------------------------------------------|---------------------|-------------|
| 1 | Number and cost to employer of all personnel associated with refuse removal:                                        |                     | R (000s)    |
|   | - Professional (Engineers/Consultants)                                                                              | 1                   | 100         |
|   | - Field (Supervisors/Foremen)                                                                                       | 3                   | 166         |
|   | - Office (Clerical/Administration)                                                                                  | 0                   | 0           |
|   | - Non-professional (blue collar, outside workforce)                                                                 | 14                  | 672         |
|   | - Temporary                                                                                                         | 3                   | 41          |
|   | - Contract                                                                                                          | 0                   | 0           |
|   | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | 21                  | 979         |
| 2 | Number of households receiving regular refuse removal services, and frequency and cost of service:                  |                     | R (000s)    |
|   | - Removed by municipality at least once a week <sup>9</sup>                                                         | 9465                | 6 375       |
|   | - Removed by municipality less often                                                                                | 0                   | 0           |
|   | - Communal refuse dump used                                                                                         | 0                   | 0           |
|   | - Own refuse dump                                                                                                   | 0                   | 0           |
|   | - Number rubbish disposal                                                                                           | 0                   | 0           |
|   | Note: if other intervals of services are available, please provide details                                          | 9465                | 6 375       |
| 3 | Total and projected tonnage of all refuse disposed:                                                                 |                     |             |
|   | - Domestic/Commercial                                                                                               | 252718 cubic meters | No increase |
|   | - Garden                                                                                                            | included above      | No increase |
|   | Note: provide total tonnage for current and future years activity                                                   |                     |             |
| 4 | Total number, capacity and life expectancy of refuse disposal sites:                                                |                     |             |

|                 |                                                                                                                                                                                                          |                         |                                     |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------|
|                 | - Domestic/Commercial (number)                                                                                                                                                                           |                         |                                     |
|                 | Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period                                                                              | 0                       | 0                                   |
| Reporting Level | Detail                                                                                                                                                                                                   | No of Current projects  | Value /Expenditure                  |
| 5               | Anticipated expansion of refuse removal service:<br><br>- Garden<br><br>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | No expansion is planned | R (000s)<br>No expansion is planned |
| 6               | Free Basic Service Provision:<br><br>- Quantity (number of households affected)<br><br>- Quantum (value to each household)                                                                               | 1465<br>95 899          |                                     |
| 7               | Total operating cost of solid waste management function                                                                                                                                                  | 1 074 439               | 4612                                |

#### KPA 4 FINANCIAL MANAGEMENT AND VIABILITY

|                      |                                                        |
|----------------------|--------------------------------------------------------|
| <b>Function:</b>     | <b>Finance</b>                                         |
| <b>Sub Function:</b> | <b>Finance: Income, Expenditure and Valuation Roll</b> |

| <b>Reporting Level</b>              | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Overview:</b>                    | <i>Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on Financial Statements and Related Financial Information.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                               |                           |
| <b>Description of the Activity:</b> | <p><i>The function of finance within the municipality is administered as follows and includes:</i></p> <p><i>Revenue collection, expenditure, stores management, valuations and meter reading, billing section, salaries, and financial management system</i></p> <p><i>These services extend to include Naboomspruit, Mookgophong, Roedtan and Thusang, but do not take account of the farm portions located within the jurisdiction of the municipality.</i></p> <p><i>The municipality has a mandate to:</i></p> <p><i>Prepare budgets in terms of the Municipal Finance Management Act;</i></p> <p><i>Prepare Valuation Rolls and to determine tariffs payable;</i></p> <p><i>Collect income on services provided to the local community; and</i></p> <p><i>Incur expenditure for the acquisition of goods and services</i></p> |                               |                           |

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|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |              |              |              |             |             |             |             |              |             |              |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|
| Analysis of the Function: | <p>The strategic objectives of this function are to:</p> <p>Render a sustainable financial function to manage the Council's income and expenditure within the framework of the approved budget; and</p> <p>Provide the Council guidance on the expected income and expenditure for the next three years</p> <p>The key issues for 2008/09 are:</p> <p>The new valuation roll was compiled in terms of the municipal property rates Act of 2004. The property rates policy and Bi-laws and rates tariffs were revised in consultation with the community stakeholders.</p> <p>The departmental Organ gram was reviewed and the following positions were filled, the Accountant Income, Supply Chain OFFICER/expenditure control CLERK.</p> <p>Acquired Combined fixed asset system and also bar coded movable assets.</p> <p>Officials were trained on the SEBATA financial management system.</p> |             |              |              |              |             |             |             |             |              |             |              |
|                           | Debtor Billing: number and value of monthly billing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |              |              |              |             |             |             |             |              |             |              |
| DEBTOR                    | Jul-08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Aug-08      | Sep-08       | Oct-08       | Nov-08       | Dec-08      | Jan-09      | Feb-09      | Mar-09      | Apr-09       | May-09      | Jun-09       |
| BILLINGS                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |             |              |              |              |             |             |             |             |              |             |              |
| RATES                     | R 1 125 006                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | R 979 897   | R 982 266    | R 1 004 289  | R1 013 080   | R1 026 137  | R1 026 461  | R1 051 206  | R1 049 615  | R1 156 573   | R1 047 218  | R-588 781    |
| WATER                     | R 337 891                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | R 3 769 018 | R -1 793 578 | R 236 140    | R -2 137 636 | R 948 040   | R -434 372  | R 2 428 503 | R 1 334 581 | R -2 591 390 | R -284 541  | R 1 807 917  |
| ELECTRICITY               | R 923 629                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | R 1 465 777 | R 1 277 204  | R 14 605 928 | R -8 377 238 | R 1 985 671 | R 2 117 366 | R 178 217   | R 3 975 200 | R -76 494    | R 3 350 858 | R -1 623 982 |
| REFUSE                    | R 288 739                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | R 289 165   | R 289 229    | R291 294     | R291 198     | R 293 692   | R 292 216   | R 293 362   | R 294 216   | R 295 933    | R296 491    | R-145 023    |
| SEWERAGE                  | R 295 434                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | R295 434    | R 295 540    | R 296 576    | R 296 594    | R 296 414   | R 296 491   | R 297 021   | R 296 924   | R 295 173    | R 295 804   | R-45 006     |
| OTHER                     | R 66 269                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | R19 859     | R 22 281     | R 18 515     | R 33 420     | R20 674     | R 19 935    | R 41 850    | R 23 265    | R307 564     | R17 605     | R 25 330     |
| TOTAL                     | R 3 036 969                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | R 6 819 152 | R1 072 942   | R16 452 744  | R -8 880 581 | R 4 570 630 | R 3 318 099 | R4 290 164  | R 6 973 801 | R-612 640    | R4 723 436  | R 4 880 696  |

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| DEBTOR                 | Jul-08                                                                                         | Aug-08            | Sep-08            | Oct-08             | Nov-08            | Dec-08            | Jan-09                        | Feb-09                    | Mar-09            | Apr-09            | May-09            | Jun-09           |
|------------------------|------------------------------------------------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------------------|---------------------------|-------------------|-------------------|-------------------|------------------|
| <b>COLLECTIONS</b>     |                                                                                                |                   |                   |                    |                   |                   |                               |                           |                   |                   |                   |                  |
| <b>RATES</b>           | R867275                                                                                        | R 749 742         | R 843 835         | R765 478           | R929 916          | R 670 905         | R 735 631                     | R 911 035                 | R 790 522         | R 832 907         | R 873 295         | R791 613         |
| <b>WATER</b>           | R111 309                                                                                       | R 267 931         | R149 925          | R359 344           | R 133 981         | R 165 605         | R197 801                      | R 255 447                 | R 262 313         | R 188 878         | R 177 125         | R 272 976        |
| <b>ELECTRICITY</b>     | R 1 523 940                                                                                    | R1 157 660        | R1 174 721        | R1 096 129         | R 1 960 557       | R 1 260 902       | R 1 595 103                   | R1 694 376                | R 1 730 310       | R1 444 297        | R 2 078 913       | R1 963 882       |
| <b>REFUSE</b>          | R 222 185                                                                                      | R 209 287         | R 222 512         | R 185 743          | R237 570          | R 181 634         | R229 262                      | R 233 698                 | R 227 766         | R 242 906         | R220 730          | R221 553         |
| <b>SEWERAGE</b>        | R 257 680                                                                                      | R239 702          | R255 510          | R232 193           | R294 237          | R 188 094         | R 225 559                     | R 242 818                 | R 233 898         | R255 894          | R 249 878         | R 262 989        |
| <b>OTHER</b>           | R 93 835                                                                                       | R 53 498          | R 43 428          | R 71 409           | R54 137           | R 32 267          | R156 564                      | R 93 759                  | R 83 763          | R118 159          | R 65 529          | R 51 580         |
| <b>TOTAL</b>           | <b>R 3 076 228</b>                                                                             | <b>R2 677 822</b> | <b>R 2689 933</b> | <b>R 2 710 297</b> | <b>R3 610 400</b> | <b>R2 499 409</b> | <b>R 3 139 922</b>            | <b>R 3 431 136</b>        | <b>R3 328 574</b> | <b>R3 083 044</b> | <b>R3 665 471</b> | <b>3 564 596</b> |
| 4                      | Write off of debts: number and value of debts written off:                                     |                   |                   |                    |                   |                   |                               | R (000s)                  |                   |                   |                   |                  |
|                        | - Total debts written off each month across debtors by function (e.g.: water, electricity etc) |                   |                   |                    |                   |                   | zero                          | zero                      |                   |                   |                   |                  |
| 5                      | Property rates (Residential):                                                                  |                   |                   |                    |                   |                   |                               | R (000s)                  |                   |                   |                   |                  |
|                        | - Number and value of properties rated                                                         |                   |                   |                    |                   |                   | 3591                          | 1878                      |                   |                   |                   |                  |
|                        | - Number and value of properties not rated                                                     |                   |                   |                    |                   |                   | 264                           |                           |                   |                   |                   |                  |
|                        | - Number and value of rate exemptions                                                          |                   |                   |                    |                   |                   |                               |                           |                   |                   |                   |                  |
|                        | - Rates collectible for the current year                                                       |                   |                   |                    |                   |                   |                               | 2341                      |                   |                   |                   |                  |
| <b>Reporting Level</b> | <b>Detail</b>                                                                                  |                   |                   |                    |                   |                   | <b>No of Current projects</b> | <b>Value /Expenditure</b> |                   |                   |                   |                  |
| 6                      | Property rates (Commercial):                                                                   |                   |                   |                    |                   |                   |                               | R (000s)                  |                   |                   |                   |                  |
|                        | - Number and value of properties rated                                                         |                   |                   |                    |                   |                   | 141                           | 2238                      |                   |                   |                   |                  |

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|    |                                            |                                                  |          |
|----|--------------------------------------------|--------------------------------------------------|----------|
|    | - Number and value of properties not rated | 6                                                | 0        |
|    | - Number and value of rate exemptions      | 0                                                | 0        |
|    | - Rates collectible for the current year   |                                                  | 44644    |
| 7  | Regional Service Council (RSC) levies:     |                                                  | R (000s) |
|    | - Number and value of returns              | none                                             | 0        |
|    | - Total Establishment levy                 |                                                  | 0        |
|    | - Total Services levy                      |                                                  | 0        |
|    | - Levies collected for the current year    |                                                  | 0        |
| 8  | Property valuation:                        |                                                  |          |
|    | - Year of last valuation                   | 1 July 2008                                      |          |
|    | - Regularity of valuation                  | 4 years:<br>extension<br>granted<br>until 1/7/09 |          |
| 9  | Indigent Policy                            |                                                  |          |
|    | The municipality has the indigent policy   |                                                  |          |
|    | - Quantity (number of households affected) | 1465                                             |          |
|    | - (total value across municipality)        | 2445                                             |          |
| 10 | Creditor Payments:                         | R (000s)                                         |          |
|    | Cash paid to suppliers and employees       | 69 385                                           | 0        |

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|    |                                                 |          |          |
|----|-------------------------------------------------|----------|----------|
| 11 | Credit Rating:                                  | R (000s) |          |
|    | None                                            | NA       | NA       |
| 12 | External Loans:                                 | R (000s) | R (000s) |
|    | The municipality do not have long term loans    |          |          |
|    | - Total loans received and paid during the year | 00       |          |
| 13 | Delayed and Default Payments:                   |          |          |
|    |                                                 | Nil      | NA       |
|    |                                                 | nil      | NA       |

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|                      |                                |  |
|----------------------|--------------------------------|--|
| <b>Function:</b>     | <b>Finance</b>                 |  |
| <b>Sub Function:</b> | <b>Supply Chain Management</b> |  |

| <b>Reporting Level</b>              | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>No of Current projects</b> | <b>Value /Expenditure</b> |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------|
| <b>Overview:</b>                    | <i>Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                               |                           |
| <b>Description of the Activity:</b> | <p><i>The function of procurement within the municipality is administered as follows and includes:</i></p> <p>&lt;List administration of the function here: this should detail how it is rendered<sup>10</sup></p> <p><i>These services extend to include the municipal area. The municipality has a mandate to:</i></p> <ul style="list-style-type: none"> <li><i>Review the SCM Policy; and</i></li> <li><i>To acquire goods and services in exercising its duties and functions in a cost effective manner</i></li> <li><i>To dispose goods, that are</i></li> <li><i>Ensure compliance to the SCM Policy when procuring goods and services and coordinates.</i></li> <li><i>Facilitate the assessment of assets to establish life spans of all assets and equipment's of the Municipality annually</i></li> <li><i>Record keeping for all SCM</i></li> </ul> <p><i>The strategic objectives of this function are to:</i></p> <p><i>The key issues for 2008/09 were:</i></p> |                               |                           |

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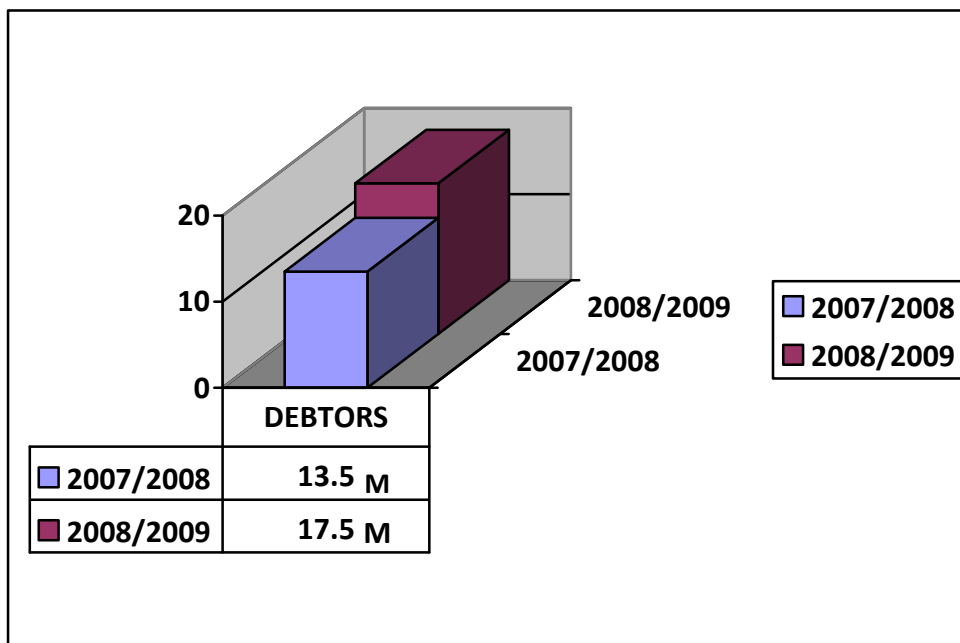
|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                          |  |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--|
| Analysis of the Function: |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                          |  |
| 1                         | <i>Details of tender / procurement activities:</i><br>- Total number of times that tender committee met during year<br>- Total number of tenders considered<br>- Total number of tenders approved<br>- Average time taken from tender advertisement to award of tender<br><i>Note: Figures should be aggregated over year across all municipal functions</i>                                                                                                                                                      | 9<br>24<br>24<br>2 weeks |  |
| 2                         | <i>Details of tender committee:</i><br>- Details of tender committee membership:<br><br><i>Note: List details of each member of the tender committee:</i><br><br><i>CFO as a responsible Manager for SCM, and chairs all Specification and Evaluation Committees {Except for his own Department}</i><br><br><i>SCM Officer, as secretary and advisor for all SCM Committees</i><br><br><i>All Section 57 Managers as Chairpersons of evaluation</i><br><br><i>All unit Managers as members of SCM Committees.</i> |                          |  |

**5.4.1: ASSESSMENT OF THE OF ARREAS ON MUNICIPAL TAXES AND SERVICE CHARGES:**

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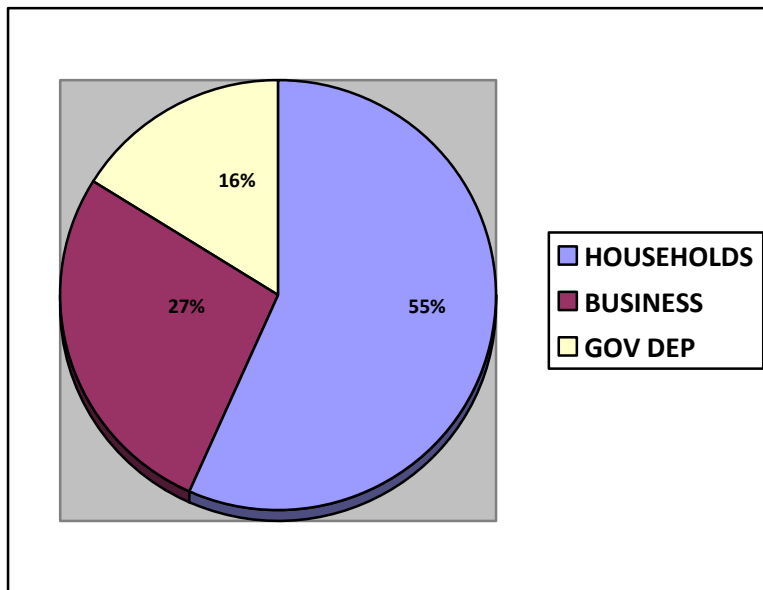
Our consumer debtors grow from R13.5M in 2007/2008, to R17,5M in 2008/2009. This is due to a number of variables as follows:

- Poor implementation of the Credit Control policy, as we do not disconnect services, especially due to insufficient number of electricians to enforce that.
- the economic recession, that leads to job losses, and this decreases the purchase value.
- Poor IGR, in terms of mainly the
- Poor communication/Community and Stakeholder consultation



### BREAKDOWN OF OUR DEBTORS:

- The main culprits in this regards are individual households, at: R9,8
- The next being business at: R4,7
- Government Departments, at: R2.8



**ASSESSMENT:**

*The growth in debts is 28.8%,*

**REQUIRED MITIGATION:**

- *Adequate community and stakeholder engagement, through ward committee meetings, community meetings, stakeholder forums and Mayor's Imbizos.*
- *Identification and verification of the indigents on a quarterly basis*
- *Write off debts owed by the indigents*
- *Establish, strengthen and implement the marketing strategy, to market our area and attract investors, for local economic development.*
- *Strengthening IGR*
- *Capacity building of personnel is critical and necessary to ensure a capable workforce to be able to enforce the Credit Control Policy, towards the financial viability of the Municipality.*
- *Enforcement of Credit Control Policy.*

KPA 5 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

|                      |                              |
|----------------------|------------------------------|
| <b>Function:</b>     | <b>Executive and Council</b> |
| <b>Sub Function:</b> | <b>N/A</b>                   |

| <b>Reporting Level</b> | <b>Detail</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>No of Current projects</b>          | <b>Value /Expenditure</b> |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------|
| <b>Overview:</b>       | <p><i>Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance.</i></p> <p><i>As the Plenary type of a Municipality, The Council has the executive power.</i></p> <p><i>The Mayor is also the Speaker of Council.</i></p> <p><i>There is the Council Whip, and both the Mayor/Speaker and Council Whip are fulltime, all other Councillors are part time.</i></p> <p><i>There is a Ward Committee per Ward and functional, in all of our 4 Wards.</i></p> <p><i>There are 5 departments to ensure effective performance as follows:</i></p> <ul style="list-style-type: none"> <li><i>Municipal Manager's Office</i></li> <li><i>Budget and Treasury</i></li> <li><i>Corporate Services</i></li> <li><i>Technical Services, which includes Planning</i></li> <li><i>Social and Community Services</i></li> </ul> <p><i>There is an over sight Committee</i></p> | <p>12</p> <p>12</p> <p>11</p> <p>6</p> | 1662                      |

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |  |
| <p><i>Description of the Activity:</i></p> | <p><i>The function of executive and council within the municipality is administered as follows and includes:</i></p> <p><i>The Mayor chairs the meetings of Council.</i></p> <p><i>The Mayor chairs the Budget Committee.</i></p> <p><i>The Council has 4 Ward Committees, which assist to cover representation of all Community stakeholders, for adequate representation of ideas for growth and development.</i></p> <p><i>The Council has Section 79 Committees, aligned to functional areas of the Municipality. Currently this Committees attend to matters referred by Council.</i></p> <p><i>Council has constituted the Oversight Committee, with the intension of ensuring oversight over administration to ensure good governance.</i></p> <p><i>The administrative wing is as indicated on <b>table 3.2.6</b></i></p> <p><i>The Office of the Municipal Manager, is responsible for the establishment and management of administration, as well as advising Council. Planning, monitoring, reporting, assessment of Municipal activities are coordinated and managed in this office. Risk management and internal auditing and controls controls are managed and coordinated in this office.</i></p> <p><i>Local economic development is managed and coordinated in this office.</i></p> <p>Below is the list on administration of each function. This detailed what is offered, and how it is offered to the community</p> <p><i>These services extend to include the municipal area. The municipality has a mandate to:</i></p> <ul style="list-style-type: none"> <li>• <i>Govern on its own initiative the local government</i></li> </ul> |  |  |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                            |  |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p><i>affairs of the local community; this includes planning together with the Community, monitoring the implementation of those plans and reporting to the Community and Stakeholders.</i></p> <ul style="list-style-type: none"> <li>• <i>Exercise the municipality's executive and legislative authority, and to do so without improper interference; and adopt policies that ensures productivity, as well as protected and safe community.</i></li> <li>• <i>Finance the affairs of the municipality by ensuring an effective budgeting that includes collection of revenue and payment of creditors</i></li> <li>• <i>Charging fees for services; and</i></li> <li>• <i>Imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties.</i></li> </ul> |                                                                                                                                            |  |
|  | <p><i>The strategic objectives of this function are to:</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><i>Public Relations</i></p> <p><i>Accountability</i></p> <p><i>PMS improvement</i></p> <p><i>Risk Management</i></p> <p><i>100%</i></p> |  |
|  | <p>Policy development and review. To review IDP in line with both National, Provincial priorities. Ensure good governance, that is to communicate with the community and stakeholders. To account to the community and stakeholders. To ensure oversight over administration. To prevent fraud and corruption.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><i>307,220.00</i></p>                                                                                                                   |  |
|  | <p><i>The key issues for 2008/09 are:</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                            |  |

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|                                  |                                                                                                     |                           |  |
|----------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------|--|
|                                  | Enhance stakeholder relations. Refine portfolio committees                                          |                           |  |
|                                  | Monthly Ward Committee meetings                                                                     |                           |  |
|                                  | Adopted the reviewed IDP and budget                                                                 |                           |  |
|                                  | Adopted the SDBIP and entered into performance contracts with Section 57 Managers.                  |                           |  |
|                                  | Hosted the Sophy Mogotlane Memorial Service                                                         |                           |  |
|                                  |                                                                                                     |                           |  |
| <i>Analysis of the Function:</i> | Provide statistical information on (as a minimum):                                                  |                           |  |
| 1                                | <i>Councillor detail:</i>                                                                           |                           |  |
|                                  | <i>Total number of Councillors</i>                                                                  | 8                         |  |
|                                  | <i>Number of Councillors on Executive Committee</i>                                                 | Nil                       |  |
|                                  |                                                                                                     | Council-in-plenary system |  |
| 2                                | <i>Ward detail:</i>                                                                                 |                           |  |
|                                  | <i>Total number of Wards</i>                                                                        | 4                         |  |
|                                  | <i>Number of Ward Meetings</i>                                                                      | 12                        |  |
| 3                                | <i>Number and type of Council and Committee meetings:</i>                                           |                           |  |
|                                  | Statutory Council                                                                                   | 11                        |  |
|                                  | Special Council meetings                                                                            | 8                         |  |
|                                  | <i>11 Statutory Council meetings, were held and followed by individual Ward committees meeting.</i> |                           |  |
|                                  | <i>Section 79 Committee took place, as these committees sits</i>                                    |                           |  |

**MOOKGOPHONG LM – 2008/2009 CIRCULAR 11 ALIGNED ANNUAL REPORT**

|  |                                         |  |  |
|--|-----------------------------------------|--|--|
|  | only when matters are referred to them. |  |  |
|  | 11 Budget Committee meetings took place |  |  |

**5.4.2 ASSESSMENT OF PERFORMANCE AGAINST THE MEASURABLE PERFORMANCE OBJECTIVES AS REFERRED TO IN SECTION 17(3)(B) OF THE MFMA:**

*In this section the measurable performance objective for revenue from each source and for each vote in the budget.:*

*The forecast of this assessment is on the main drivers of our revenue by source.*

| VOTE        | BUDGET     | VARIANCE<br>BETWEEN<br>BUDGET<br>AND<br>BILLING | BILLING    | VARIANCE<br>BETWEEN<br>BILLING<br>AND<br>COLLECTION | COLLECTION<br>RATE | VARIANCE<br>BETWEEN<br>BUDGET<br>AND<br>COLLECTION | %       |
|-------------|------------|-------------------------------------------------|------------|-----------------------------------------------------|--------------------|----------------------------------------------------|---------|
| RATES       | 10 530 000 | +342 967                                        | 10 872 967 | -1 110 813                                          | 9 762 154          | -767 846                                           | -7.29%  |
| WATER       | 6 313 000  | -2 692 427                                      | 3 620 573  | -1 077 938                                          | 2 542 635          | -3 770 365                                         | -59.72% |
| ELECTRICITY | 13 666 000 | +6 136 136                                      | 19 802 136 | -1 121 435                                          | 18 680 701         | +5 014 701                                         | +36.70% |
| REFUSE      | 3 106 000  | -35 175                                         | 3 070 825  | -435 979                                            | 2 634 846          | -471 154                                           | -15.17% |
| SEWERAGE    | 3 167 000  | +45 399                                         | 3 212 399  | -273 947                                            | 2 938 452          | -228 548                                           | -7.21%  |
| Other       |            |                                                 | 616 567    | 301 361                                             | 917 928            |                                                    | %       |
| TOTAL       | 36 782 000 | +4 413 467                                      | 41 195 467 | -3 718 751                                          | 37 476 716         | +694 716                                           | +1.89%  |

**ASSESSMENT:**

*The overall collection rate assessment is that, we managed to collect more than estimated income due to payment of the previous years outstanding debtors that is included in the collected amount of R37 476 716.*

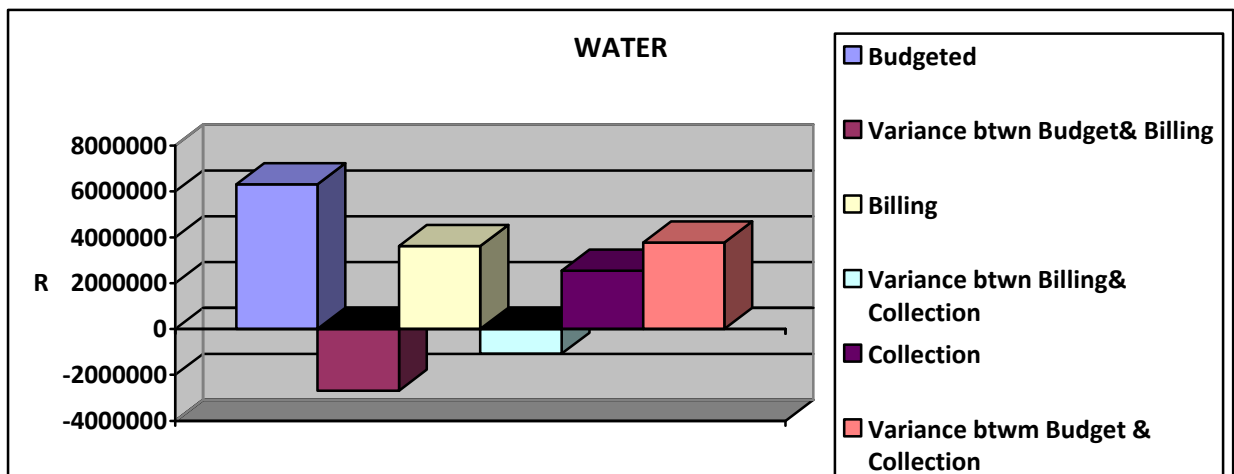
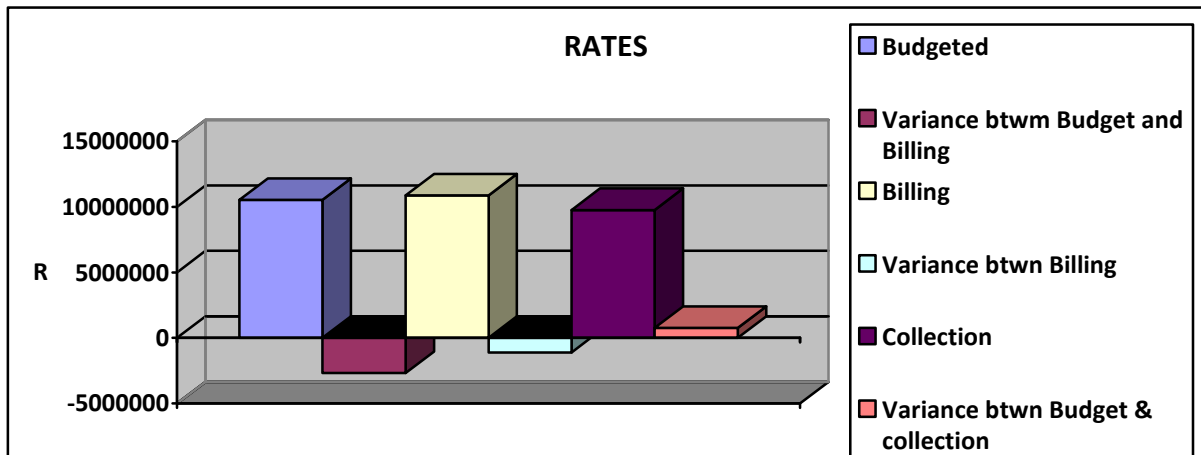
*There was decline on the billing for water as compared to the budget of R 6 313 000 which needs to be investigated and corrective action taken as both the billing and the actual income are under the same*

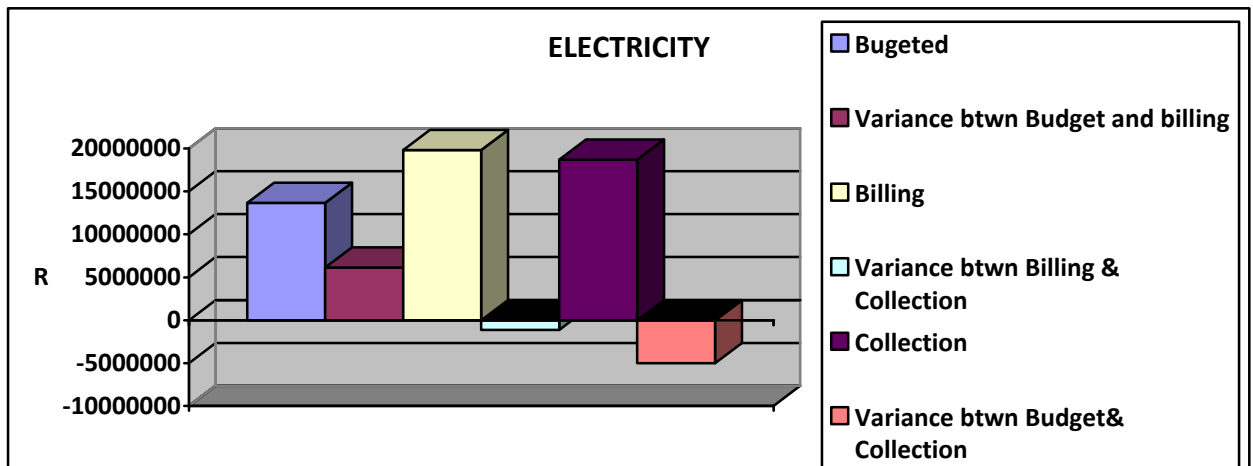
## MOOKGOPHONG LM – 2008/2009 CIRCULAR 11 ALIGNED ANNUAL REPORT

bracket group. The first assumption, can be due to the fact that there is a settlement that we bill only on electricity and not on water, as they are utilising their own source of water.

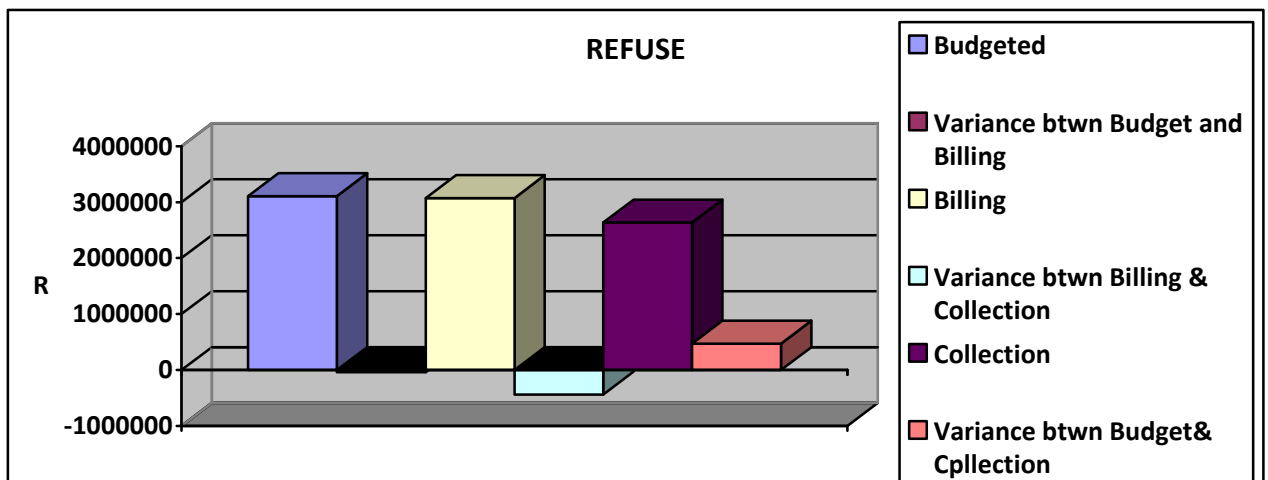
Proper monthly reconciliation will assist us to pick up the root course of this gap. We are confident that this will be addressed, as we are engaging a Service Provider to assist us to overcome the challenges of reconciliations.

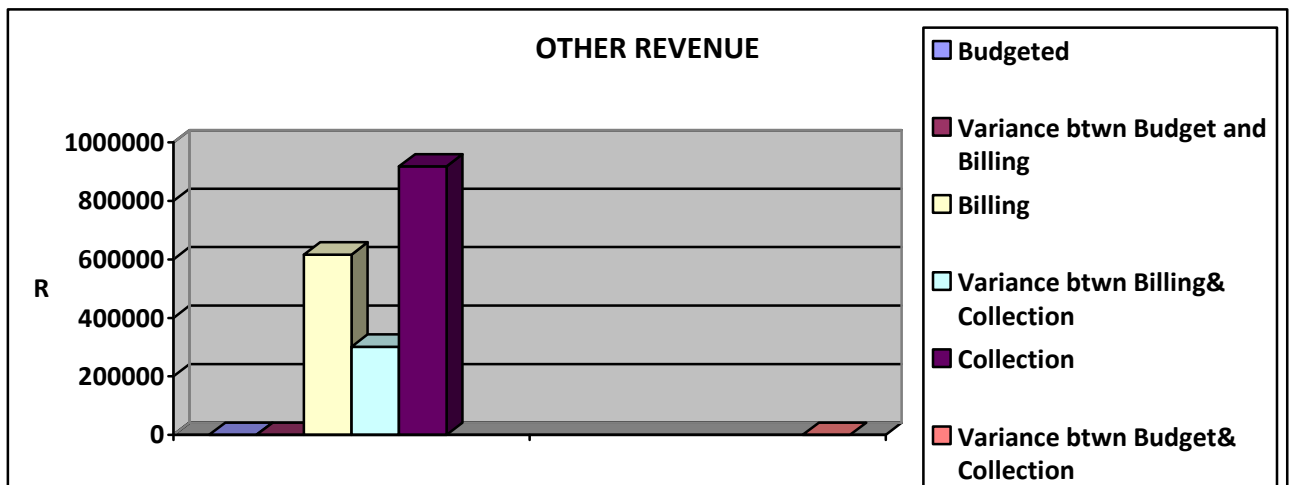
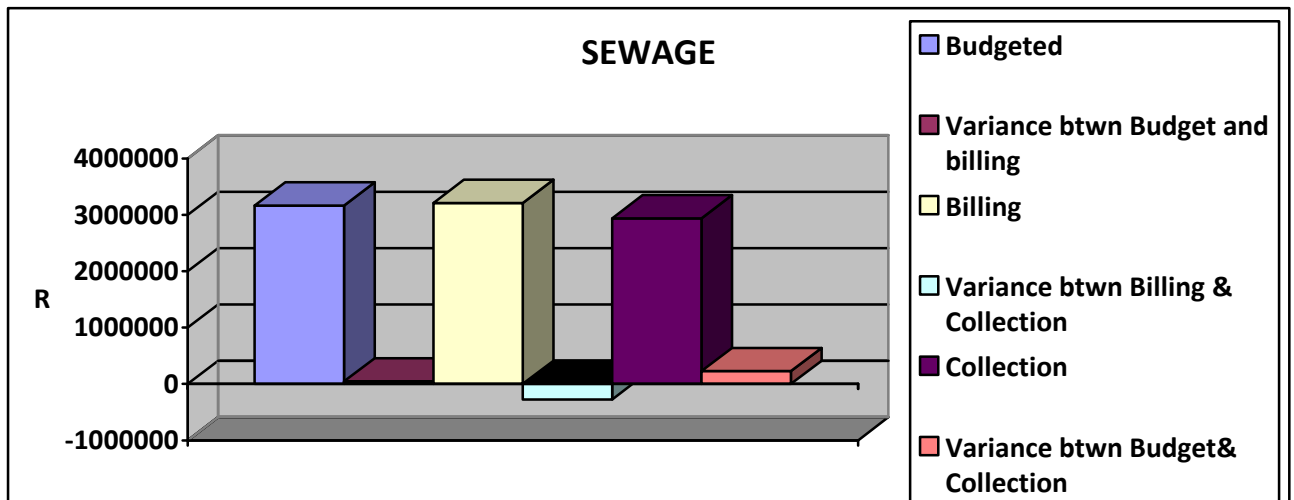
Our main income driver is electricity, followed by water.





**Assessment:** the variance between budgeted amount and collection amount is due to old debt that was being paid off after cutting of services and outstanding amounts paid in order to obtain clearance certificates





## CONCLUSION:

In line with Section 34 of Chapter 5 of the Local Government: Municipal Systems Act 32 of 2000, we did review our IDP, and develop our SDBIP, which we implemented in line with Chapter 6 of the same Act. Section 39 of Chapter 6 require of Municipalities to develop performance management system, which will enable monitoring and review, in line with Section 40 thereof. This performance report and all its other related components will assist the Council to perform its oversight role over administration on implementation of the IDP and Budget; the MEC's and Ministers relevant for monitoring and support of Municipalities, to be able to do so and the Community and Stakeholders of Mookgophong to be able to monitor the overall performance of the Council, in order to influence

accountability and good governance. The intention is to ensure a good life for all who live in Mookgophong.

Internally we do have the performance management system, which currently focuses on the performance of Section 57 Managers. Council do get monthly performance report, to be able to monitor performance on their mandates to administration, and to review and implement required interventions when necessary, and ultimately report to the community through relevant structures, which flows up to be monitored by the MEC of the DLG & H, and the MEC of the Provincial Treasury, mainly on our budget. To emphasise on monitoring and accountability, the former MEC of the DLG & H Me. Maite Nkoana-Mashabane, introduced the radio program, “My Councillor and I”, to ensure open dialogue on delivery and development. of our developmental state. The Audit Committee is also in place to advice on compliance and risk management, in line with Section 166(2) of the MFMA.

**WORKING TOGETHER, WE CAN DO MORE!**

**REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE AND  
THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE  
INFORMATION OF THE MOOKGOPHONG MUNICIPALITY FOR THE YEAR ENDED  
30 JUNE 2009**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I was engaged to audit the accompanying financial statements of the Mookgophong Municipality which comprise the statement of financial position as at 30 June 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages .

**The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Statements of Generally Recognised Accounting Practice (Statements of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.
4. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Mookgophong Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

## **Basis for disclaimer of opinion**

### **Corresponding figures**

5. The following findings that were identified in the previous year have not been resolved:
6. Loans and receivables amounting to R1.1 million.
7. Trade receivables R753 609
8. Trade payables R3.9 million.
9. Bank balance and cash (outstanding cheques) amounting to R602 616.
10. Reserves amounting to R1.8 million.
11. Leave provision amounting to R3.5 million.
12. Unspent conditional grants of R1.3 million.
13. Investments R704 971

### **Property, plant and equipment**

14. Assets with a carrying amount of R47.7 million included in the balance of property, plant and equipment of R86.1 million as disclosed in the statement of financial position could not be physically verified. Consequently, I was unable to conclude on whether the property, plant and equipment on the statement of financial position do exist. The municipality's records did not permit the application of alternative audit procedures.
- 15.1

### **General expenses**

16. Transport expenses amounting to R901 602 could not be substantiated. The municipality's records did not permit the application of alternative audit procedures. I was therefore unable to verify that the recorded expenditure is accurate and represents all expenses that occurred in the financial year.
17. I was unable to conclude on whether operating expenses amounting to R701 325 have been recorded in the correct account to which it pertains. The municipality's records did not permit the application of alternative audit procedures.
18. Expenses and allocations of non-routine transactions amounting to an estimated R8.5 million could not be substantiated. I was therefore unable to verify that the recorded expenditure is accurate and represents all expenses and non-routine transactions that occurred in the financial year. The municipality's accounting records did not allow me to perform alternative procedures.

### **Value Added Tax (VAT)**

19. VAT refundable to the amount of R1.9 million as disclosed in note 4 to the financial statements could not be substantiated. Alternative audit procedures could not be performed to confirm the VAT refundable balance and as a result I could not satisfy myself that all the VAT refundable balance has been recorded at an appropriate amount.

### **Provisions**

20. The municipality had not created a provision for the restoration of landfill sites which is required in terms of *GRAP 19 - Provisions, contingent liabilities and contingent assets* and *GRAP 17 - Property plant and equipment*. The lack of information did not permit the application of alternate audit procedures and consequently the impact on provisions and property, plant and equipment as disclosed in the financial statements could not be determined

### **Revenue**

21. An irreconcilable difference of R3.9 million was identified between the billing report and the general ledger of property rates and service charges as disclosed in notes 14 and 15 to the financial statements.
22. VAT refund received from the receiver of revenue was incorrectly accounted for as revenue by the municipality. This resulted in revenue being overstated by R2.2 million.

### **Cash flow statement**

23. The following inconsistencies were noted on the cash flow statement and as a result the cash flow statement contains material inconsistencies:
24. The contribution to the doubtful debts provision of R3.4 million was not added back as a non cash item on note 25 to the financial statements. In addition this resulted in the increase in consumer debtors being understated by said amount.
25. Cash receipts from rate payers, government and others of R64.2 million was overstated by R1.7 million.

### **Accounts receivables**

26. I was not provided with supporting documentation for Suspense accounts amounting to R1.1 million. The municipality's accounting records did not allow me to perform alternative procedures.

## **Reserves**

27. I was not provided with an analysis of the previous year's adjustments amounting to R2 million as disclosed in the statement of changes in net assets under accumulated surplus in the current year. As a result I am uncertain as to the nature of the error and whether it relates to the correction of the prior year errors in terms of GRAP3.
28. Adjustments to an amount of R52 million made to the accumulated reserves could not be verified as the municipality could not provide relevant supporting documentation for these adjustments. As a result the reserves are overstated by said amount. The municipality's accounting records did not allow me to perform alternative procedures.

## **Inventories**

29. An irreconcilable difference of R1.3 million exists between the total value of the inventory count results and the amount in the general ledger. The municipality's accounting records did not allow me to perform alternative procedures.

## **Trade and other payables**

30. Supporting documentation in respect of creditors to the amount of R6.6 million were not submitted for audit purposes. I was therefore unable to confirm whether these creditors exist. The municipality's accounting records did not allow me to perform alternative procedures.

## **Cash and cash equivalents**

31. The comparative (prior year) amounts for Cash and cash equivalents disclosed on the statement of financial position differs with an amount of R5.8 million from the amount disclosed in the cash and cash equivalents, note 2 to the financial statements. Management could not provide reasons for this difference and the municipality's accounting records did not allow me to perform alternative procedures.

## **Accumulated surplus**

32. Generally Recognised Accounting Practise, GRAP 3 *Accounting Policies, Changes in Accounting Estimates and Errors*, states that an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery. It is also stated that if the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and net assets for the earliest prior period shall be restated. The prior year corrections, as referred to in paragraph 21 above, amounting to R2.2 million were incorrectly accounted and disclosed as 'previous years adjustments' and was directly credited to accumulated surplus in the current year.

33.

#### **Disclaimer of opinion**

34. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

#### **Emphasis of matters**

Without qualifying my opinion, I draw attention to the following matters:

##### **Fruitless and wasteful expenditure**

35. As disclosed in note 29 to the financial statements, fruitless and wasteful expenditure amounting to R155 690 has been incurred due to penalties on the late submission of VAT returns, payments regarding a cancelled contract and interest charged for late payments.

#### **Other matters**

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

##### **Other information included in the annual report**

36. I have not obtained the other information included in the annual report and have not been able to identify any material inconsistencies with the financial statements.

##### **Unaudited supplementary schedules**

37. The supplementary information set out on pages to does not form part of the financial statements and is presented as additional information. I have not audited this and accordingly I do not express an opinion thereon.

#### **Non-compliance with applicable legislation**

38. In terms of section 122(3) of the MFMA, the annual financial statements must be prepared in accordance with generally recognised accounting practice as determined by the Accounting Standards Board. The municipality has not provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, as prescribed by GRAP 1 *Presentation of Financial Statements*.

#### **Governance framework**

39. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

##### **Internal control deficiencies**

40. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the disclaimer of opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.

| Par. No. | Basis for disclaimer opinion  | CE | RA | CA  | IC  | M   |
|----------|-------------------------------|----|----|-----|-----|-----|
| 5        | Corresponding figures         | 5  | 4  | 3   | 1   | 2   |
| 6-7      | Property, plant and equipment | 5  | 4  | 2,3 | 3   | 2,3 |
| 8-10     | General expenses              | 5  | 4  | 3   | 3   | 1   |
| 11       | Value Added Tax (VAT)         | 5  | 4  | 3   | 1,3 | 1   |
| 12       | Provisions                    | 7  | 1  | 3   | 1   | 2   |
| 13-14    | Revenue                       | 5  | 4  | 5   | 3   | 1   |
| 15-17    | Cash flow statement           | 5  | 1  | 4   | 3   | 1   |
| 18       | Accounts receivables          | 5  | 1  | 3   | 3   | 1   |
| 19-20    | Reserves                      | 5  | 4  | 2,3 | 3   | 2,3 |
| 21       | Inventories                   | 5  | 1  | 3   | 1,3 | 1   |
| 22       | Trade and other payables      | 5  | 1  | 3   | 1,3 | 1   |
| 23       | Cash and cash equivalents     | 5  | 1  | 3   | 1,3 | 1   |
| 24       | Accumulated Surplus           | 5  | 1  | 3   | 1,3 | 1   |

41. The basis of my opinion is due to the fact that the accounting officer did not ensure that there is a proper registry system in place where the documents are stored and retrieved for audit and other purposes.

42. The municipality did not adequately review the financial statements prepared prior to submitting them for audit.

| Legend                                                                                                                                              |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---|
| CE = Control environment                                                                                                                            |   |
| The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting. | 1 |
| Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.            | 2 |
| Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.                            | 3 |
| Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.                            | 4 |
| The accounting authority does not exercise oversight responsibility over financial reporting and internal control.                                  | 5 |
| Management's philosophy and operating style do not promote effective control over financial reporting.                                              | 6 |
| The entity does not have individuals competent in financial reporting and related matters.                                                          | 7 |
| RA = Risk assessment                                                                                                                                |   |
| Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.                  | 1 |
| The entity does not identify risks to the achievement of financial reporting objectives.                                                            | 2 |
| The entity does not analyse the likelihood and impact of the risks identified.                                                                      | 3 |

|                                                                                                                                                           |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| The entity does not determine a risk strategy/action plan to manage identified risks.                                                                     | 4 |
| The potential for material misstatement due to fraud is not considered.                                                                                   | 5 |
| <b>CA = Control activities</b>                                                                                                                            |   |
| There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.                                                          | 1 |
| General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.          | 2 |
| Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed. | 3 |
| Actions are not taken to address risks to the achievement of financial reporting objectives.                                                              | 4 |
| Control activities are not selected and developed to mitigate risks over financial reporting.                                                             | 5 |
| Policies and procedures related to financial reporting are not established and communicated.                                                              | 6 |
| Realistic targets are not set for financial performance measures, which are in turn not linked to an effective reward system.                             | 7 |
| <b>IC = Information and communication</b>                                                                                                                 |   |
| Pertinent information is not identified and captured in a form and time frame to support financial reporting.                                             | 1 |
| Information required to implement internal control is not available to personnel to enable internal control responsibilities.                             | 2 |
| Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.                 | 3 |
| <b>M = Monitoring</b>                                                                                                                                     |   |
| Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.          | 1 |
| Neither reviews by internal audit or the audit committee nor self -assessments are evident.                                                               | 2 |
| Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.                          | 3 |

### Matters of governance

43. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

| No.                                                                                                         | Matter                                                                                                                        | Y | N |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---|---|
| <b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>     |                                                                                                                               |   |   |
| 1.                                                                                                          | No significant difficulties were experienced during the audit concerning delays or the availability of requested information. |   | ✓ |
| <b>Quality of financial statements and related management information</b>                                   |                                                                                                                               |   |   |
| 2.                                                                                                          | The financial statements were not subject to any material amendments resulting from the audit.                                |   | ✓ |
| 3.                                                                                                          | The annual report was submitted for consideration prior to the tabling of the auditor's report.                               |   | ✓ |
| <b>Timeliness of financial statements and management information</b>                                        |                                                                                                                               |   |   |
| 4.                                                                                                          | The annual financial statements were submitted for auditing as per the legislated deadlines (section 126 of the MFMA).        | ✓ |   |
| <b>Availability of key officials during audit</b>                                                           |                                                                                                                               |   |   |
| 5.                                                                                                          | Key officials were available throughout the audit process.                                                                    |   | ✓ |
| <b>Development and compliance with risk management, effective internal control and governance practices</b> |                                                                                                                               |   |   |
| 6.                                                                                                          | Shared audit committee                                                                                                        |   |   |

| No.                                                                | Matter                                                                                                                                                                                                                                                                                                    | Y | N |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
|                                                                    | <ul style="list-style-type: none"> <li>The municipality had an audit committee in operation throughout the financial year.</li> </ul>                                                                                                                                                                     | ✓ |   |
|                                                                    | <ul style="list-style-type: none"> <li>The audit committee operates in accordance with approved, written terms of reference.</li> </ul>                                                                                                                                                                   | ✓ |   |
|                                                                    | <ul style="list-style-type: none"> <li>The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.</li> </ul>                                                                                                                                | ✓ |   |
| 7.                                                                 | Internal audit                                                                                                                                                                                                                                                                                            |   |   |
|                                                                    | <ul style="list-style-type: none"> <li>The municipality had an internal audit function in operation throughout the financial year.</li> </ul>                                                                                                                                                             |   | ✓ |
|                                                                    | <ul style="list-style-type: none"> <li>The internal audit function operates in terms of an approved internal audit plan.</li> </ul>                                                                                                                                                                       | ✓ |   |
|                                                                    | <ul style="list-style-type: none"> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.</li> </ul>                                                                                                                        |   | ✓ |
| 8.                                                                 | There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.                                                                                                                                                                   |   | ✓ |
| 9.                                                                 | There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.                                                                                                                                                 |   | ✓ |
| 10.                                                                | The information systems were appropriate to facilitate the preparation of the financial statements.                                                                                                                                                                                                       | ✓ |   |
| 11.                                                                | A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.                                                                                                          | ✓ |   |
| 12.                                                                | Delegations of responsibility are in place, as set out in section 79 of the MFMA.                                                                                                                                                                                                                         | ✓ |   |
| <b>Follow-up of audit findings</b>                                 |                                                                                                                                                                                                                                                                                                           |   |   |
| 13.                                                                | The prior year audit findings have been substantially addressed.                                                                                                                                                                                                                                          |   | ✓ |
| <b>Issues relating to the reporting of performance information</b> |                                                                                                                                                                                                                                                                                                           |   |   |
| 14.                                                                | The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.                                                                                                                                                                             |   | ✓ |
| 15.                                                                | Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.                                                                                                                                                       |   | ✓ |
| 16.                                                                | A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Mookgophong Municipality against its mandate, predetermined objectives, outputs, indicators and targets (section 68 of the MFMA). | ✓ |   |
| 17.                                                                | There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.                                                                                                                                         | ✓ |   |

44. Management did not ensure that information required for audit purposes was submitted timeously.

45. Due to a lack of appropriate skills in the finance section, a consultant was appointed to compile the annual financial statements. However, also as a result of the mentioned lack of skills, a proper quality review of the financial statements could not be performed prior to submission for audit purposes.

46. Some senior managers were often not available during the audit and explanations could not always be provided by the accounting officer for their absence.

47. The internal auditor resigned during the year and was not replaced.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on performance information**

48. I was engaged to review the performance information.

### **The accounting officer's responsibility for the performance information**

49. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

### **The Auditor-General's responsibility**

50. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

51. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

52. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

### **Findings on performance information**

#### **Non-compliance with regulatory requirements**

53. Internal auditing of performance measurements

54. Mookgophong municipality did not develop and implement mechanisms, systems and process for auditing the results of performance measurements as part of its internal audit process, as required in terms of section 45 of the MSA.

#### **No reporting of performance information**

55. The municipality did not submit an annual report which includes the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the MSA, as required by section 121(3)(c) of the MFMA.

#### **Lack of adoption of performance management system**

56. The municipality did not adopt a framework that describes and represents how the municipality's cycles and processes of performance planning, monitoring, measurements, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players, as required in

terms of regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.

## **APPRECIATION**

57. The assistance rendered by the staff of the Mookgophong Municipality during the audit is sincerely appreciated.

Polokwane

30 April 2010



**A U D I T O R - G E N E R A L**  
**S O U T H   A F R I C A**

*Auditing to build public confidence*